Financial Statement of the Government of India for the years 1896-97 to 1901-02

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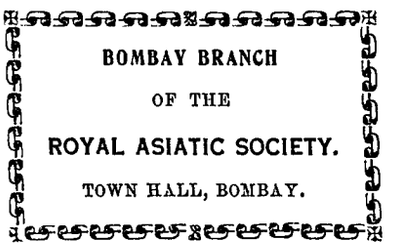

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EAST INDIA (FINANCIAL STATEMENT).

RETURN to an Address of the Honourable The House of Commons, dated 30 April 1896 ;—*for*,

"COPY of the INDIAN FINANCIAL STATEMENT for 1896–97, and of the Proceedings of the Legislative Council of the Governor General thereon."

India Office,
4 May 1896.

ARTHUR GODLEY,
Under Secretary of State for India.

134385

(*Sir Henry Fowler.*)

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GOVERNMENT OF INDIA.—FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT FOR 1896-97.

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FINANCIAL STATEMENT FOR 1896–97.

PART I.

GENERAL REVIEW.

FAMINE INSURANCE GRANT.

I DESIRE to begin my Statement by referring to the often discussed subject of the Famine Insurance Grant. The policy which underlay this grant may for present purposes be described as a determination, as far as possible, to raise not merely so much revenue as was necessary for the needs of the current year, but an amount of Rx. 1,500,000 besides, which could be devoted either to the actual relief of famine when it occurred, or to measures calculated to prevent the recurrence of famine or to facilitate measures of relief on its occurrence.

2. The following are the actual figures of the account during the 15 years for which it has been running:—

YEARS.	Famine Relief.	Construction of Protective Irrigation Works.	CONSTRUCTION OF PROTECTIVE RAILWAYS.		Reduction or Avoidance of Debt.	TOTAL.	Declared Surplus (+) or Deficit (—) in Accounts.
			Charged under Famine Relief and Insurance.	Charged under Railway Revenue Account.			
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
1881-82 - - - -	34,883	135,449	682,403	—	715,151	1,567,886	+ 3,595,451
1882-83 - - - -	22,103	263,443	— 133,129	—	1,343,555	1,495,972	+ 674,837
1883-84 - - - -	9,205	283,223	649,248	—	581,137	1,522,813	+ 1,879,707
1884-85 - - - -	7,350	253,046	946,457	—	341,504	1,548,357	— 386,446
1885-86 - - - -	40,695	186,807	589,000	29,271	683,498	1,529,271	— 2,801,726
1886-87 - - - -	1,041	107,979	200,000	151,812	—	460,832	+ 178,427
1887-88 - - - -	402	91,006	--	285,199	—	376,607	— 2,028,832
1888-89 - - - -	7,799	70,537	—	430,182	—	508,518	+ 37,018
1889-90 - - - -	68,288	71,457	—	462,009	460,255	1,062,009	+ 2,612,033
1890-91 - - - -	5,579	74,392	—	482,351	520,029	1,082,351	+ 3,688,171
1891-92 - - - -	23,423	77,931	484,795	231,681	682,170	1,500,000	+ 467,535
1892-93 - - - -	70,841	60,793	984,469	383,897	—	1,500,000	— 833,412
1893-94 - - - -	496	56,351	1,060,954	371,768	—	1,489,569	— 1,546,998
1894-95 - - - -	10,258	43,110	556,867	389,765	—	1,000,000	+ 693,110
Total of 14 Years - -	302,363	1,775,524	6,021,064	3,217,935	5,327,299	16,644,185	+ 6,228,875
1895-96 (Revised Estimate)	10,500	40,200	534,800	414,500	—	1,000,000	+ 951,400
Total of 15 Years - -	312,863	1,815,724	6,555,864	3,632,435	5,327,299	17,644,185	7,180,275

3. It will be seen that the exigencies of finance have occasionally prevented the Government from completely fulfilling its self-imposed obligation. It has sometimes,

sometimes, as in 1893-94, set aside the required sum as famine insurance, without actually possessing it in the form of a realised surplus of revenue, and it has occasionally, as in 1886-87 and the succeeding years, practically given up the obligation as too onerous, and postponed its fulfilment until the financial crisis was over. But, taking the 15 years as a whole, the Government has set aside Rx. 17,644,185 of its revenue for the purposes of famine relief and insurance (almost entirely the latter), and has over and above this realised a surplus of revenue of Rx. 7,180,275.

4. What then, have we done during this time in the way of carrying out the original policy? Besides spending Rx. 312,863 upon actual famine relief, we have spent out of the Famine Insurance Grant, that is, out of our revenue, Rx. 1,815,724 upon the construction of Irrigation Works, and Rx. 6,555,864 upon the construction of railways designed as a protection against famines; and we have upon the guarantee of this Insurance Grant raised capital for the construction of two large railway systems, the Bengal Nagpur, and the Indian Midland. We have, moreover, charged off against our Revenue Account and set aside an amount of Rx. 5,327,299, in the form of reduction or avoidance of debt, that is, we possess this sum as a sort of accumulated surplus of Revenue over and above the forward total of our ordinary surpluses.

5. I need not say that this is a far better position than what was considered in any way probable when the famine insurance policy was initiated, for the anticipation then was that we would actually spend about Rx. 15,000,000 upon Famine Relief in 10 years, and not have any part of it in hand in the shape either of completed works or of money unspent. The improvement is due for the most part to the fact that we have during these 15 years been much more free from famines than we in any way anticipated. To what extent famines may be awaiting us in the future, it would be rash to speculate; one thing we do know is that our financial and our protective preparation for them is infinitely superior to what it was at the time when the famine insurance policy was laid down.

6. While, therefore, we continue to regard famine insurance as an essential portion of our financial policy, we consider ourselves fully justified, for the present, at any rate, in measuring it by a lower standard than was applied in 1880; and we consider that we will, in the present state of our finances, meet all the necessary obligations of famine insurance, if we set aside in each of the years under consideration, not Rx. 1,500,000, but Rx. 1,000,000, out of our revenue for the purpose; or, to state the operation more exactly, if we aim at establishing a standard of revenue sufficient to provide Rx. 1,000,000 instead of Rx. 1,500,000 for famine insurance.

7. When I presented the estimates of March 1894, the Government had determined that the new revenue required to meet the serious fall in exchange was enough for the country to bear at the time, and that it was not expedient to raise the further sum required to meet the obligation of famine insurance. But a year later, that is, in March of last year, I was able to report that the revenue realised had been actually enough to provide a considerable amount on account of our famine obligations. I left the matter at that point, stating that it was not much more than a difference in the manner of stating the facts, whether we said that we had a surplus of Rx. 990,000 without providing for famine insurance, or a smaller surplus, say Rx. 440,000, after providing in part for that insurance. But the obligation of famine insurance is an obligation upon us, whether we actually meet it or not, and it follows that any surplus that we declare without meeting it, is not a true surplus. When, therefore, in December last, we came to making up our actual accounts for 1894-95 and forecasting our revised estimates for 1895-96, finding as we did that we had enough of revenue to meet this obligation, we considered that the time had come when we should set aside our determination of March 1894 to suspend the Famine Insurance Grant; and that we should duly provide for it in our accounts, and should declare as the actual surplus of the year only so much revenue as remained over after we had duly charged off the Famine Grant. That grant, therefore, has now resumed its position in our accounts; only, for the reasons I have already given, we measure the obligation for the present at Rx. 1,000,000, instead of the higher figure hitherto adopted as its limit.

ACCOUNTS OF 1894-95.

8. The accounts of 1894-95, as I presented them this time last year, were estimated to work out to a surplus of Rx. 990,500. As they now stand when actually closed they are better, under the ordinary Revenue and Expenditure heads, by Rx 259,477; but then, as we have, in pursuance of the policy I have just explained, charged off an additional amount of Rx. 556,367 on account of Famine Insurance, the result is on the whole worse by Rx. 297,390, and the declared surplus for the year is Rx. 693,110.

9. On the Revenue side, the total difference is only Rx. 33,329, made up of about 20 lakhs short collections of Land Revenue (both ordinary and irrigation), more than compensated by petty improvements under almost all the other heads. On the Expenditure side, excluding consideration of the Famine Grant, there were small savings under almost all the heads, and the total difference was Rx. 226,148 to the good. The Revised Estimates, as I presented them in last year's Financial Statement, may therefore be said to have been more than justified by the actual making up of the accounts.

REVISED ESTIMATES OF 1895-96.

10. The result of the Revised Estimates of the year still current may shortly be set forth thus: We have paid for the Chitral Expedition, we have restored the Famine Insurance Grant to the extent just mentioned, we have restored the contributions we levied in 1894-95 from the Provincial Governments, and we have a surplus, over and above, of Rx. 951,400.

11. To take up these subjects in their order: the Chitral Expedition has cost us Rx. 67,200 in the accounts of 1894-95, Rx 1,647,500 in the Revised Estimate of 1895-96, and a further sum of Rx. 20,000 will come under payment in 1896-97, giving a total of Rx. 1,734,700 in India, besides a sterling expenditure in replacement of stores of 16,000*l.* It has left us a legacy of permanent expenditure in the occupation of Chitral, and of its communications, which has involved in 1895-96 an expenditure of Rx. 102,200, and will involve in 1896-97 an expenditure of Rx. 231,700. It is expected that it will be possible to reduce this figure when we pass beyond the initial stages of the occupation.*

The Financial Statement is not the place in which to defend the policy of the expedition or the occupation which has followed it; and I have here merely to note the fact that, against a Budget provision of Rx. 150,000 which was announced as intended to meet the cost of preparations which it was hoped might not eventuate in war, we have expended Rx. 1,749,700, plus 16,000*l.*, being an excess (omitting exchange) of Rx. 1,615,700.

12. The contributions which we took from the Provincial Governments in 1894-95 amounted to Rx. 405,000. We expressed at the time the reluctance with which we called in to our aid balances which the Local Governments might legitimately claim as pledged to them for the purpose of administrative improvement, and we indicated that we would restore them if, happily, the financial position of the Government should sufficiently improve to warrant our doing so. We think that it has done so, and, even were this not fully the case, there

* The figures in this paragraph are irrespective of the "Political" Expenditure, which comes to Rx. 20,000 in 1895-96 and Rx. 22,000 in 1896-97, and includes enrolment of levies to hold the road: also of Military Works Expenditure, Rx. 21,600 in 1896-97.

there are some circumstances which would, in one or two of the cases, make it necessary or advisable for us to make the repayments.*

13. The Provincial finances of the North-Western Provinces suffered very severely in 1895–96 by reason of the failure of Irrigation Revenue. So much and such seasonable rain fell during the cold weather of 1894–95 that the cultivators were able very largely to dispense with their usual drafts on the irrigation canals, and the revenue dropped from its ordinary standard of 56 or 57 lakhs to only 36½. However beneficial this was to the cultivators, it obviously involved a severe strain on Provincial resources, and although every economy has been enforced, the Provincial balance has been reduced to a figure which, especially in view of the scarcity impending in some parts of the Province, cannot be regarded as safe. Here, therefore, a necessity for restoration arises which we would have to face even were our own position less strong than it is.

14. The Central Provinces Administration has also been unfortunate. For three successive years the crops in the Jabalpur Division have been so scanty that the Government has been obliged in some measure to forego its claims for Land Revenue, and in that and other ways the Provincial balance has there also been depleted. The circumstances under which we took from that Administration a contribution of Rx. 43,000 are now reversed, and we there also would be obliged to restore this year what we obtained last year.

15. Burma, from which we obtained 18 lakhs, gave us a contribution out of all proportion to its size and importance as compared with other Provinces. Owing to special circumstances, it was able at the time to afford it, and in a sense may still be said to be so. But Burma is a young and expanding Province, where the Local Administration can beyond a doubt make most excellent use of any funds it possesses, and where local needs press more heavily than in older and better equipped provinces. Moreover, when the Provincial contract comes under revision, as it will before next year, we shall have to include Upper Burma, of which the finance is at present entirely Imperial, in the contract, and this addition will render it expedient that the Provincial balance should be higher than the amount at which it is at present maintained. The 18 lakhs which we restore will be only partly spent during the approaching year, and the bulk of it will remain in hand as a useful and almost necessary equipment for the undertaking by the Provincial Government of the financial management of the newest province of India.

16. Bengal, Madras, Bombay, and Assam are well enough off, I am glad to say, to do without the money we propose to restore to them; but the repayment of the money to them, and its ultimate expenditure by them upon Provincial or Local necessities, only make up to them and to the interests they administer, for the severe economy which was forced upon them by the recent financial stress.

17. The

* These contributions pass into our accounts by a redistribution of the Imperial and Provincial shares of Land Revenue. The figures are as follow: —

	1894–95 (Accounts).		1895–96 (Revised).	
	Imperial Column.	Provincial Column.	Imperial Column.	Provincial Column.
	Rx.	Rx.	Rx.	Rx.
Distribution according to Provincial Contract	16,171,796	9,236,476	16,647,800	9,544,700
Contribution - - - - - - -	+405,000	—405,000	—405,000	+405,000
Figures entered in the Accounts or Estimate	16,576,796	8,831,476	16,242,800	9,949,700

17. The total improvement in our financial position involved in our ability to provide the few items I have mentioned may be thus tabulated:—

	Rx.
Chitral Expedition paid for out of Revenue Account	1,615,700
Famine Insurance Grant restored - - - - -	534,800
Provincial contributions repaid - - - - -	405,000
Surplus Rx. 951,400, as against Budget Rx. 46,200 -	905,200
TOTAL - - -	3,460,700

18. We have now to inquire from what main sources we have obtained this large improvement.

19. The first of these is in exchange. Our Budget Estimates were built upon an exchange of 13·09 pence, but the amount we have actually realised (or will have realised when the year closes) is 13·68 pence. The difference which this imports into the account in the item of English expenditure alone is as follows:—

———	Net Expenditure in England.	Exchange at 13·09*d.*	Exchange at 13·68*d.*
	£.	Rx.	Rx.
Budget figure, 1895-96 - - - - -	15,739,600	13,116,300	—
Revised Estimate, 1895-96 - - - - -	16,490,700	—	11,680,000
Difference - - -	248,900	207,400	—

so that the improvement in exchange gives us a benefit of Rx. 1,436,300, of which Rx. 207,400 is due to the smaller net expenditure, and Rx. 1,228,900 is due to improvement in the rate of remittance. To this, moreover, we have to add the additional saving under the head of Exchange Compensation Allowance, which enters the Indian figures of the Estimates, and amounts, in the Imperial section, to about Rx. 76,000. This, however, will be taken into account in the comparisons we have to make between the totals of the expenditure in the Revised Estimates and the original Budget figures, and therefore is not separately mentioned here.

20. The second considerable advantage comes to us in the Opium account, in which I regret to say that our payments have been diminished by another season of short crop. The Budget and the Revised Estimates compare thus:—

———	Budget.	Revised.
	Rx.	Rx.
Revenue - - - - - - - - -	6,860,600	7,057,100
Expenditure in India - - - - - -	2,753,900	2,077,300
Net - - -	4,106,700	4,979,800

showing a better result upon our accounts by Rx. 873,100. The extremely precarious nature both of the revenue and of the expenditure under this head compels us to make estimates that are apt to err upon the safe side. Our habit has been to make a fair estimate of revenue and a full estimate of expenditure, so as to avoid putting our expectations at too high a figure.

I am sorry to say that the coming crop does not promise to be more than an average one, but it is really very difficult to estimate what the produce will be, until the actual operation of collection has commenced.

21. The two heads I have dealt with account for Rx. 2,309,400 (1,436,300+ 873,100) out of the total improvement of Rx. 3,460,700 which presented itself for explanation. The remaining amount Rx. 1,151,300 is mainly accounted for by an improvement of Rx. 243,400 under the principal revenue heads (excluding Opium), and by savings amounting to Rx. 462,000 in the ordinary Army expenditure in India. These two items, added to the savings in the English Account (excluding Chitral) of 264,900, give a total of Rx. 970,300.

22. Under the principal Revenue heads, excluding Opium which has already been considered, we have obtained on the whole Rx. 58,775,600, against a Budget Estimate of Rx. 58,368,400, giving us an improvement on Imperial Account of Rx. 243,400 (as just mentioned) and on Provincial Account of Rx. 163,800. Land Revenue is a little less than estimated owing to poor seasons in Northern India, but we have the usual advance in Salt, Stamps, Excise, Customs (notwithstanding the diminished amount of duties on cotton, largely due to short imports), and Forest Revenue.

23. Under Army expenditure in India, the figures are as follow:—

	Budget.	Revised.
	Rx.	Rx.
Chitral expenditure in India - - -	150,000	1,749,700
Other expenditure - - - - -	16,920,500	16,458,500
TOTAL - - -	17,070,500	18,208,200

so that the net savings (excluding consideration of the Chitral Expedition) amount to Rx. 462,000, of which Rx. 170,000 is due to low prices of food, and Rx. 53,700 due to lower rates of payment of Exchange Compensation allowance. For other details, I refer to Part II. of the Statement.

24. Under other heads I shall note only one or two principal differences, omitting reference to a large number of small increases on the receipt side, and small savings on the estimates of expenditure taken in the Budget.

25. The Post Office and Telegraph Departments in India have given us a net improvement on Imperial Account of Rx. 38,600 and Rx. 66,300 respectively.

26. The Railway net earnings have been less than were anticipated in the Budget, the comparative figures being as follow:—

	Budget.	Revised.
	Rx.	Rx.
State Railways:		
Gross Earnings* - - - - -	18,001,900	18,375,100
Working Expenses - - - -	8,697,000	9,033,700
Net Earnings - - -	9,304,900	9,341,400
Guaranteed Railways:		
Net Earnings - - - - -	3,495,000	3,270,000
TOTAL - - -	12,799,900	12,611,400

* Includes 200*l.* in England.

The

The loss is on the whole Rx. 188,500, made up of a gain on Provincial Account of Rx. 55,200 (mostly due to the Eastern Bengal Railway), and a loss on Imperial Account of Rx. 243,700. The Great Indian Peninsula Railway was in this, as in last, year responsible for practically the whole of this loss, having produced only Rx. 1,600,000, against a Budget Estimate of Rx. 2,000,000. The following Railways brought in a gain which has compensated for a part of this loss: North-Western Railway, Rx. 205,000 better than Estimate; Bombay, Baroda, and Central India, Rx. 132,500; East Indian, Rx. 100,000.

27. There was also a considerable falling-off in Irrigation Revenue, the comparative figures being as follows:—

	Imperial.	Provincial.
	Rx.	Rx.
Budget	1,716,600	767,700
Revised	1,662,500	662,600
Loss	54,100	105,100

Part of this loss I have already alluded to in connection with the refund of contribution to the North-Western Provinces, and the remainder arises from smaller demands in Madras and in Sindh.

28. Under Civil Departments, we have the usual savings in expenditure as compared with estimates. The figures are—

	Imperial.	Provincial.	Total (excluding Exchange).
	Rx.	Rx.	Rx.
Budget	3,813,100	11,102,700	14,915,800
Revised	3,790,300	10,926,300	14,716,600
Total	22,800	176,400	199,200

It will be seen that it is mostly to Provincial Account that these savings accrue. For the further detail of the figures I refer to Part II. of the Statement.

COTTON DUTIES LEGISLATION.

29. The favourable forecast of our financial position which we were able to make in January last induced us to include, in the readjustment which we were then making of the Cotton Duties, a proposal to reduce their standard from 5 to 3½ per cent. So far as imported goods are concerned, we estimate to lose by the reduction in the rate of duty on woven goods, and the abolition of it on yarns, Rx. 535,000; but against this we estimate that the Excise Duty, by its extension to coarser counts of goods, will give us Rx. 40,000 more than last year's estimates. The net annual reduction of Revenue is, therefore, just under Rx. 500,000; and a small portion of it comes into the current year's accounts.

RATE OF EXCHANGE.

30. In setting forth the Budget Estimates for 1896–97, the first point to be settled is what rate of exchange is to be taken.

The rate at the beginning of 1895-96 was about $13\frac{5}{16}d.$, and remained about that figure for the first quarter. During July it slightly fell, but it recovered in August. In September it rose to $13\frac{1}{2}d.$, and throughout October $13\frac{3}{4}d.$ was

firmly established. In November and December it continued to rise, and the first drawings of the Secretary of State in the current year 1896 were over 14*d.* The rate remained about 14*d.* throughout January, and during February and March it has gradually strengthened to about 14¾*d.*

31. The prospects indicated by these figures are decidedly encouraging; but, as last year the Government of India made up their minds to avoid any speculations as to the future, so this year also they have determined in their estimates to take no account of the recent, and perhaps yet unexhausted, rise in the exchange. They consider it very important under present circumstances to be on the safe side, and have fixed the exchange to be taken in the Budget Estimates at a rate which would certainly have been deemed wise and prudent in the beginning of February, though to many persons it may appear in the light of more recent events to err on the safe side. The rate we have taken is 13¾*d.*, being only slightly in advance of the realised rate of 1895–96. If we could calculate on a rate approaching the present current rate of 14¾*d.*,* the time would have come for a revision of our general financial position; and we believe that no one will consider our position sufficiently assured for any such measures.

BUDGET ESTIMATES, 1896-97.

32. Taking this rate of exchange, our Budget Estimates of Revenue and Expenditure for the coming year work out to a surplus of Rx. 463,100.

33. The English figures, both of Revenue and of Expenditure, differ very little from those of last year's Budget. The differences are noted in detail in Part II. of the Statement, and need not be further examined here. In the exchange upon the net English Expenditure, however, we gain a very great advantage, as will be obvious from the following statement:—

	Budget, 1895–96.	Budget, 1896–97.	Better, 1896–97.
Net expenditure in England - - -	£. 15,739,600	15,735,300	4,300
Net exchange on the same - - -	Rx. 13,116,300	11,729,900	1,386,400

giving a total improvement of Rx. 1,390,700. Our further comparisons therefore are confined to the Indian figures of the Budget Estimates of the two years:—

India Only.	Budget, 1895–96.	Budget, 1896–97.	1896–97. Better + Worse —
Revenue:	Rx.	Rx.	Rx.
Imperial share - - - - -	72,430,000	72,787,100	+ 357,100
Provincial share - - - - -	24,180,800	24,529,700	(*a*)
Total - - -	96,610,800	97,316,800	+ 706,000
Expenditure:			
Imperial share - - - - -	43,527,900	44,858,800	—1,330,900
Provincial share - - - - -	24,804,100	25,416,100	(*a*)
Total - - -	68,332,000	70,274,900	—1,942,900

(*a*) Through the operation of the provincial contracts, these provincial differences are prevented from affecting the Imperial surplus.

34. The

* Has fallen during the week to 14½*d.*—J. W.,—19·3 96.

34. The total improvement in the Budget as compared with last year, that is, the enhancement of the surplus from Rx. 46,200 to Rx. 463,100, is Rx. 416,900, and is the sum of the following improvements just stated :—

	Rx.
In English Expenditure and exchange - -	1,390,700
In Revenue (Imperial share) in India - - -	357,100
In Expenditure (Imperial share) in India - -	—1,330,900

But my explanations relating to Indian Revenue and Expenditure will be clearer if I disregard for the moment the operation of the Provincial Contracts, and explain the total excess of Revenue Rx. 706,000 and the total excess of Expenditure Rx. 1,942,900.

35. Under the principal heads of Revenue, the chief increases that we count upon, as compared with the estimates of last March, are, Stamps, Excise, and Forest, Rx. 385,000. We also receive under Tributes from Native States an enhancement of Rx. 102,700, the term having now expired for which the Government of India agreed to remit. Rx. 105,000 out of the full amount of tribute due from Mysore.

Against these increases we have provided for decreases, first, of Land Revenue, Rx. 276,300, due partly to bad seasons in Northern India, and partly to the fact that the estimates of 1895–96 provided for certain arrears due from the previous year; and secondly, of Customs Revenue, Rx. 332,800, being the excess of the loss caused by the recent reduction of Cotton Duties over the better receipts we expect under other heads. Under Salt, we practically repeat last year's figure.

36. We estimate for an increase of Post Office and of Telegraph Revenue; but under Railway Earnings the figures we take are somewhat less than what we expected to realise in 1895–96, though slightly better than the Budget Estimate of that year. The following figures may be compared with those stated in paragraph 26 above : —

	Budget Estimate, 1896–97.	Revenue side. Better + Worse —	Expenditure side. Worse.
State Railways—	Rx.	Rx.	Rx.
Gross earnings - - - - -	18,322,100	+ 320,200	—
Working expenses - - - -	9,010,800	- - -	313,800
Net earnings - - -	9,311,300		
Guaranteed Railways —			
Net earnings - - - - -	3,233,000	— 262,000	—
TOTAL - - -	12,544,300	+ 58,200	313,800

The reduction in net earnings is greater than appears at first sight, inasmuch as we start, on 1st April 1896, with 341 miles broad-gauge, and 385 miles metre-gauge, more of State Railways than were open on 1st April 1895.

37. Under the head of Irrigation a large increase of revenue is expected, namely, Rx. 235,500 on Imperial account and Rx. 163,500 on Provincial account. The first mostly arises in the Punjab, and the second in the North-Western Provinces, both being due to the increased demand for water in consequence of the present dry season.

38. I set forth now the sum of the various differences on the Revenue side of which I have given a detailed explanation.

	Budget 1896-97, compared with Budget 1895-96.	
	Better.	Worse.
	Rx.	Rx.
Stamps, and other Progressive Revenues -	385,000	—
Tributes - - - - - - - -	102,700	—
Land Revenue - - - - - - -	- - -	276,300
Customs - - - - - - - -	- - -	332,800
Post Office and Telegraph - - - -	154,200	—
Railways (Revenue side only) - - -	58,200	(a)[313,800]
Irrigation - - - - - - - -	399,000	—
	1,099,100	609,100
Net - - -	490,000	—

(a) This item comes on the Expenditure side, and therefore does not enter the present totals.

The total for explanation was Rx. 706,000, so that Rx. 216,000 is explained by the numerous smaller differences which we have not taken into account.

39. Passing to the Expenditure side, where the excess in the present estimates is Rx. 1,942,900, and remembering that we are dealing only with the Indian figures, there is little difference in the totals of the direct demands on the revenues. We have provided a smaller amount than last year, but still what we believe to be sufficient, for the collection of the opium crop; and we have had to provide a little more than last year under Salt and Forest.

40. Under Post Office and Telegraphs we provide Rx. 56,600 more than last year, all of which comes back to us in increased revenue.

41. The estimates under Civil Departments, Imperial and Provincial, come to Rx. 14,483,300 against Rx. 14,359,300, the increase of Rx. 124,000 being entirely in the Provincial column; it is distributed in small amounts over nearly every head, and is due to the general expansion of business and of administration.

42. Almost the only increase under the Miscellaneous group is that of Rx. 35,300 under superannuations.

43. Next come two large increases, both of which have been already mentioned, viz., the restoration of the Famine Insurance Grant, which adds Rx. 543,500 to the estimates, and this year includes a provision of seven lakhs for Famine Relief, the necessity for which may arise in the North-West Provinces; and the increase of Rx. 313,800 for the working expenses of State Railways.

44. Under Irrigation and Civil and Military Works the provision in the estimates is—

	Imperial.	Provincial.
	Rx.	Rx.
Budget, 1895-96 - - - - -	3,274,200	5,411,500
Budget, 1896-97 - - - - -	3,448,800	5,716,500
Excess in 1896-97 - - -	174,600	305,000

giving a total excess of Rx. 479,600, mostly Provincial.

This

This is due in a general way to the fact that our financial position warrants our resiling from the extreme limitation of the grants under these heads, which it has been necessary to enforce in the past two years. The grants under Imperial include an enhancement from five to eight lakhs of the provision made for the restoration of irrigation canals in Upper Burma; and a grant of six lakhs for water-supply in Bangalore, which is a charge upon that part of our general revenues which comes to us in consequence of our arrangement with Mysore in respect of the revenue and expenditure of the civil and military station of Bangalore.

45. The grants made under the head of Army Services in India will be better understood if I classify them in this fashion:—

	Budget, 1895–96.	Budget, 1896–97.	Excess, 1896–97.
	Rx.	Rx.	Rx.
Chitral Expedition - - - - -	150,000	20,000	— 130,000
Special Mobilization Expenditure - -	- - -	494,900	+ 494,900
Other and ordinary services - - -	16,920,500	16,965,200	+ 44,700
TOTAL - - -	17,070,500	17,480,100	409,600

The first of these items has been already explained. The second is a sum which has, with the approval of the Secretary of State, been included in the estimates for preparations for mobilization of the Field Army; the amount includes the provision of all the material and equipment necessary for the mobilization of the whole Field Army, an addition of about 1,750 mules and 2,350 camels to the present establishment, and a reserve of 1,000 artillery horses. The necessity for this provision has long been recognised, but since 1891, when a sum of 35 lakhs was provided for mobilization preparations, our financial condition has not allowed us to devote any money to this purpose. The provision made also includes the cost of gear and of establishments for the care of the additional animals for the current year.

Under the third head, which shows an increase of Rx. 44,700, we have to bear in mind that the increase of pay to the Native Army, which came into effect for only eight months in 1895–96, itself requires an additional provision, Rx. 110,000, as it will operate for 12 months of 1896–97; and, if this is left out of account, the scale of expenditure for the year is Rx. 65,300 less than that of last year, although it includes the new charge of Rx. 231,700, for occupation of Chitral, mentioned in paragraph 11 above. But for the details of increases and decreases I refer to Part II. of the Statement.

46. I state now the sum of the excesses of expenditure which I have picked out for separate explanation:—

	Rx.
Post Office and Telegraphs - - - - -	56,600
Civil Departments - - - - - - -	124,000
Miscellaneous - - - - - - -	35,300
Famine Insurance - - - - - - -	543,500
Railway Working Expenses - - - - -	313,800
Irrigation and Public Works - - - - -	479,600
Army Services - - - - - - -	409,600
TOTAL - - -	1,962,400

47. Some smaller differences, not mentioned in detail, reduce this total, as already stated, to Rx 1,942,900.

CAPITAL EXPENDITURE.

48. The Capital Expenditure on Irrigation was taken at Rx. 700,000 in the Budget Estimates of 1895–96, and a little more will be spent. Rx. 750,000 has been provided in the Estimates for 1896–97. The details of the grant are specified in one of the Appendices to this Statement; about one-third of the whole amount is spent in the development of the Chenab Irrigation Canals, in connection with which the Government of the Punjab are carrying on a remarkably successful colonization scheme. In the remainder of my remarks I shall refer to Railways only.

49. The Budget Estimates provided for Rx. 3,700,000 only, but certain questions were then pending with reference to the Assam-Bengal Railway, and both for that Railway and for the East Indian Railway arrangements were made for increased expenditure and for raising money for it by sterling debentures in England. The expenditure, including English as well as Indian, which we anticipate during the year, amounts to Rx. 5,378,300, and arrangements have been made for spending a still larger sum, Rx. 7,270,000, in 1896–97.

50. The principal items in the programme are as follow :—

	1895–96.	1896–97.
	Rx.	Rx.
East Coast Railway, including Bezvada Extension	690,000	197,800
Mu Valley, including extension northward to the Irrawaddy	121,900	100,000
New Railway from Mandalay to the Salween river at Kunlon	50,000	620,000
North West Frontier lines, Mari-Attock and Muskaf-Bolan	468,000	495,000
Rai Bareli to Benares	60,000	240,000
Kotri-Rohri Chord Line on the east side of the Indus river	675,700	511,000
Bezwada-Madras Railway	140,000	800,000
East Indian Railway, including a new branch, Mogul-Sarai to Gya	555,000	850,000
Assam Bengal Railway	1,438,300	1,750,000
Rutlam Ujjain Branch	131,600	47,500
North-Western Railway	199,100	289,900
East Bengal Railway, including doubling of the Ranaghat to Poradha	141,600	407,500
Tirhoot Railway Extensions	-	400,000

51. The totals which we have above stated will be thus provided :—

	1895–96.	1896–97.
	Rx.	Rx.
By grant under—		
34. Protective Railways	534,800	473,500
48. State Railways, Construction	3,622,200	5,506,700
Out of sterling Debentures or Capital raised by—		
East Indian Railway Company	245,000	737,800
Assam-Bengal Railway Company	976,300	552,000
TOTAL	5,378,300	7,270,000

52. Besides

52. Besides the Railways and Railway schemes included in the above figures, arrangements have been made during the year—

(1) For the commencement of work on the following lines, of which the sterling part of the expenditure is to be provided by the Company in England, and the Indian portion of the expenditure by money advanced by Government in India :—

(*a*) Bengal-Nagpur Railway Company's connection with Calcutta. Total cost, Rx. 5,032,754.

(*b*) Indian-Midland Railway. Saugar-Katni connection. Total cost, Rx. 1,082,232.

(2) For two branch lines to be constructed on behalf of two Branch Line Companies by existing Companies, viz., Ahmedabad-Parantij, by the Bombay Baroda and Central India Railway Company, and South Behar, by the East Indian Railway Company.

In these last two cases the Government of India have not to find the money, but, in the case of the Bengal-Nagpur and Indian-Midland Railway Companies' operations, it is estimated that we shall have to advance in India—

	1895-96.	1896-97.
	Rx.	Rx.
Bengal-Nagpur - - - - - - -	73,600	750,000
Indian-Midland - - - - - - -	30,000	400,000

53. A Company known as the Southern Punjab Railway Company has been formed during the year for constructing a line from Delhi westward to Samasata (400 miles) ; and arrangements are being made for some extensions of the Bengal and North Western Railway, costing about Rx. 2,120,000. The transactions in connection with these do not pass on the Government Accounts.

54. The following is a statement of the mileage of railways at the several dates mentioned :—

	1st April 1895.	1st April 1896.	Further Mileage under Construction.
Standard Gauge—			
State Lines and Guaranteed Lines - -	10,155·5	10,504·	1,406·9
Other Lines - - - - - -	720·2	942·5	504·4
Metre Gauge—			
State Lines - - - - - -	6,548·	6,927·3	1,331·9
Other Lines - - - - - -	1,164·	1,224·4	292·2
Special Gauge—			
State Lines - - - - - -	36·	36·	—
Other Lines - - - - - -	239·5	239·1	29·
TOTAL - - -	18,863·2	19,873·3	3,564·4

55. A good deal of attention has been given during the year to the question of Railway Finance, that is, of how best to raise the money required for the development and extension of open State Lines, and for new construction. It is obvious that such a programme as I have been explaining goes far beyond the capacity, so far as we have as yet ascertained it, of the Indian investment market. The question is still under examination.

DEBT AND REMITTANCE.

56. Under the head of Debt the Secretary of State had no transactions in 1895–96, except the renewal of 2,000,000*l.* of temporary loan as entered in his original Budget Estimates. In 1896–97 he proposes again to renew or replace this loan when it falls due on 11th May 1896. His proposals also include the issue of 2,400,000*l.* India Stock in order to discharge 2,000,000*l.* India Debentures falling due in August, and 313,700*l.* South Indian Railway Debentures falling due in July.

57. His estimate of the amount of drawings required to meet his disbursements is 18,300,000*l.* in 1895–96 and 16,500,000*l.* in 1896–97, but the withholding of the allotment of last week will probably decrease the former of these figures, and the deficit will have to be made up by an equivalent increase in the latter.

58. The large balances which we have held in our Indian Treasuries since the failure of drawings in 1893 have now been spent mainly on Railway Capital Expenditure, but we had still in December, which is our month of lowest balances, about two crores in excess of the amount which we reckon as absolutely necessary to carry us over till the period when our revenue again begins to come in. With the large capital outlay before us in 1896-97 which I have been describing in the above paragraphs, we shall now have to resume our practice of borrowing, and we calculate that we shall have, in the course of the current year, to issue a loan of four crores of rupees.

59. These figures, both as to borrowing and as to drawing of Council Bills, are given with the usual reservation to the Secretary of State of full power to alter the figures as he may find occasion.

PROVINCIAL FINANCE.

60. The so-called contracts with the Provincial Governments come to an end with the year for which Budget Estimates are now being presented; and the Government of India will have to take up its quinquennial task of examining the operation of the current contracts with a view of deciding what modifications of them are called for in respect of the next five years' period.

61. In view of this approaching revision of contracts, I have thought it advisable to draw up a statement which will show, as clearly as the nature of the problem will permit, the real financial relations between the Central Government and the several Provincial Governments. It is curious that nearly every Province in India assumes that it is the possessor of a large surplus of revenue, and that only the necessity of maintaining the expenditure of other and poorer Provinces, or something which is vaguely termed "Imperial necessities," prevents its enjoying the full benefit of its own revenues. The figures I present will, I hope, serve to dissipate this notion, by showing what amount of revenue each Province provides after meeting its purely local needs in the way of Civil Administration, and what becomes of these surpluses of revenue, when they are contributed to the common account and used by the Central Government in meeting expenditure incurred upon the common account.

62. Part of the revenues, indeed, it is not possible to distribute among Provinces; Customs, Salt, and Opium, for example, cannot be put down as revenues of the Provinces in which they happen to be received; and Railway revenues it is also impossible to distribute provincially. These revenues, together with the surpluses of the revenues remaining to each Province after paying the charges connected with Civil Administration, are the funds that are received by the Central Government for expenditure on the combined account. They are used in meeting the charges in respect of Public Debt, the cost of the Army, and the expenses of the Central Administration. The question whether each

each Province is, or is not, a paying Province, is the question whether these several contributions of surplus revenue represent a sufficient or an insufficient share of the burden of the expenditure shown as that of the general account. I do not deny that on this point there may be room for difference of opinion, but I trust these figures will show that there is at least no foundation for the theory, to which expression has certainly been given in more than one place, that the so-called provincial surpluses of revenue are absorbed by the Imperial Government for expenditure on objects that are foreign to the Provinces in which they arise.

63. I have to add that the figures reproduced in this Statement are not built upon any theory of distribution, but are taken directly from Accounts Nos. 2 and 3 of the General Statements in the Finance and Revenue Accounts. The process of compilation is shown in Annexures A. and B., and each figure in these annexures may be traced into its details by means of the Finance and Revenue Accounts.

TRANSACTIONS OF THE IMPERIAL GOVERNMENT.

Net Revenues, 1894-95.			Net Expenditure, 1894-95.		
Unexpended Revenues of the several Provinces (*see* Annexure B.):	Rx.	Rx.	Expenditure in India:	Rx.	Rx.
Central Provinces	451,762		Central administration in India, including (1) Government of India; (2) Baluchistan, Ajmere, Andamans, Coorg, and other minor provinces; (3) Political relations with Native States; (4) Royal Indian Marine (*see* Annexure B.)	1,301,809	
Burma	1,392,081				
Assam	387,563				
Bengal	4,478,300				
North-Western Provinces	5,554,171				
Punjab	1,813,823				
Madras	4,922,655		Army Expenditure (net) (*see* Annexure A.)	16,331,074	
Bombay	2,712,287		Interest, including that payable in respect of Railways and Irrigation (Nos. 5, 10, and 11 of Annexure A.)	4,221,706	
		21,712,642	Famine Insurance	609,918	
					22,464,507
Revenues not distributable by Provinces (net) (*see* Annexure A.):			Expenditure in England:		
Opium	5,710,250		(For details, *see* Accounts 2 and 3, Finance and Revenue Accounts):	£.	
Salt	8,131,094				
Customs	2,709,359		Army Expenditure (net), including Military Works and Special Defences	4,323,719	
Post Office, Telegraph, and Mint	526,296		Interest, including that payable in respect of Railways (net)	8,347,232	
Miscellaneous (Nos. 4, 7, and 8)	548,442		Superannuations and absentee allowances (net)	1,694,800	
		17,625,441	Other items (of which the largest are the cost of India Office and Marine charges)	1,138,231	
				15,503,982	
Net earnings of railways in India (*see* Annexure A.)	—	11,661,724	Exchange on the same	12,899,068	
					28,403,050
			Net charged to General Revenues	—	50,867,557
			Imperial surplus	693,110	
			Deduct,—		
			Provincial Deficit	560,860	
					132,250
TOTAL GENERAL REVENUES - Rx.		50,999,807	GRAND TOTAL - - - Rx.		50,999,807

64. The figures show that the Central Government after all has a very much larger burden of expenditure than all the Provinces put together, and that it cannot consent to be regarded as merely an extraneous claimant for such revenues as each Province may find available after the demands of its Civil Administration are satisfied. On the contrary, it must assert the theory that the first claim on the revenues of the Provinces is the claim of the expenditure which the Central Government has retained in its own charge. I am afraid

that there is, in non-official circles at least, a disposition to regard the Provincial Governments rather as surrendering a portion of their revenues for "Imperial" purposes, than as receiving an assigned portion of them from the Imperial Government for "Provincial" uses; and the statement of figures which I have drawn up may serve as a useful preliminary to the discussion of the assignments we may find ourselves able to make in the new Provincial contracts.

CONCLUSION.

65. Last year, in presenting the Financial Statement, my final estimate of the position was that, though we were as yet far from a complete restoration of our fortunes, we might claim to have made a fair amount of progress towards their restoration. Our prospects are now very much more hopeful. Our revenues are advancing, our expenditure is well in hand; but, above all, the rate of exchange shows a tendency to establish itself at a figure which, if maintained, will remove our most serious anxieties. I refrain from any prophecies as to the future; but it is pleasant to know that the direction in which our financial position is changing, which always contains many elements over which we have practically no control, will have to suffer a considerable reverse before we are again in the difficulties which we had to face two years ago.

ANNEXURE A., referred to in Para. 63.

Undistributable Portion of Accounts Nos. 2 and 3, Finance and Revenue Accounts.

	Revenue.	Expenditure.	No.	Net Revenue.	Net Expenditure.
Principal Heads of Revenue:	*Rx.*	*Rx.*		*Rx.*	*Rx.*
Opium	7,323,757	1,613,507(*b*)	1	5,710,250	—
Salt	8,665,749	534,655(*b*)	2	8,131,094	—
Customs	2,948,417(*a*)	239,058(*b*)	3	2,709,359	—
Tributes	780,070	880(*c*)	4	779,190	—
Interest	808,121	338,832	5	469,289	—
Post Office, Telegraph, and Mint	2,637,493	2,111,197	6	526,296	—
Miscellaneous:					
Territorial and Political Pensions	—	458,423	7	—	458,423
Exchange	227,675	—	8	227,675	—
Famine Insurance	—	609,918	9	—	609,918
Railways:					
Interest	41,694	3,538,574	10	—	3,496,880
Other items	21,202.045	9,540,321	—	11,661,724	—
Irrigation—Interest on Debt	—	1,194,115	11	—	1,194,115
Buildings and Roads—Military Works	59,654	962,203			
Army	884,757	16,245,960	12	—	16,331,074
Special Defence	—	67,322			
TOTAL	45,579,432	37,454,965		30,214,877	22,090,410

(*a*) Viz., 3,854,955—Less, Export Duty, 906,538, shown in distributed portion of the Account.
(*b*) Includes *Rx.* 2, *Rx.* 36,839, and *Rx.* 64,573, respectively, on account of Opium, Salt, and Customs, refunds.
(*c*) Represents refunds of revenue.

ANNEXURE B., referred to in Para. 63.

Distributable Portion of Accounts Nos. 2 and 3, Finance and Revenue Accounts.

	India.	Central Provinces.	Burma.	Assam.	Bengal.	North-West Provinces and Oudh.	Punjab.	Madras.	Bombay.
REVENUE.									
Principal Heads of Revenue:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	143,356	658,389	2,456,705	602,190	3,890,942	5,755,165	2,379,963	5,052,681	4,468,881
Stamps	56,191	170,888	169,441	81,922	1,670,263	707,726	400,975	787,321	580,953
Excise	103,076	277,568	373,506	269,625	1,256,235	574,554	205,058	1,367,157	1,100,897
Customs (Export Duty)	—	—	597,164	—	203 611	—	—	57,417	48,346
Other Heads	198,775	257,698	741,534	140,898	1,558,127	1,390,090	701,325	1,277,387	1,133,128
TOTAL Principal Heads	501,398	1,364,543	4,338,350	1,094,635	8,579,178	8,427,535	3,687,321	8,541,963	7,332,205
Receipts by Civil Departments	75,078	67,794	133,342	45,773	467,798	210,088	163,440	237,055	224,466
Miscellaneous	149,076	18,080	58,023	12,712	173,900	140,118	47,399	113,738	105,179
Irrigation	3,609	—	18,416	-	241,548	701,848	623,799	588,972	160,623
Buildings and Roads—Civil Works	7,564	13,755	28,707	18,565	91,946	87,923	67,850	115,011	155,076
TOTAL REVENUE	736,725	1,464,172	4,576,838	1,171,685	9,554,370	9,567,512	4,589,809	9,596,739	7,977,549
EXPENDITURE.									
Direct Demands on the Revenues (excluding Opium, Salt, and Customs)	312,963	301,692	694,030	145,890	850,189	952,304	510,823	1,434,032	2,044,211
Salaries and Expenses of Civil Departments	1,647,879	471,431	1,610,627	328,726	2,678,155	1,947,474	1,387,742	1,809,063	1,976,393
Miscellaneous Civil Charges	—50,880	47,921	110,318	28,914	521,864	285,449	157,873	316,917	332,621
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	—	—	—	1,070	--	—	—	12,668	5,871
Irrigation	14,801	—	123,227	—	284,363	273,849	329,979	445,691	284,110
Buildings and Roads, Civil Works	113,771	191,366	646,555	279,522	741,499	554,265	389,569	655,713	622,056
TOTAL EXPENDITURE	2,038,534	1,012,410	3,184,757	784,122	5,076,070	4,013,341	2,775,986	4,674,084	5,265,262
NET REVENUE	—1,301,809	451,762	1,392,081	387,563	4,478,300	5,554,171	1,813,823	4,922,655	2,712,287

PART II.

DETAILS OF THE ACCOUNTS AND ESTIMATES.

SECTION I.—THE ACCOUNTS OF 1894–95.

Accounts of 1894–95.

66. The Revised Estimates of 1894–95 showed a surplus of Rx. 990,500: the Accounts of the year show a surplus of Rx. 693,110. The diminution is the result of the decision, taken since the Revised Estimates were framed, to restore the Famine Grant to the extent of Rx. 1,000,000, as explained in paragraph 7.

Explanations of the variations under the several heads of the Account figures from those of the Budget and Revised Estimates will be found in the Appropriation Report published in the "Gazette of India" of the 14th instant. The following

following is a general comparison of the Revised Estimates with the Accounts of the year :—

—	Revised Estimate.	Accounts.	Accounts, better.	Accounts, worse.
REVENUE.				
India - - - - - Rx.	94,783,800	94,814,831	31,031	—
England - - - - - £.	202,000	203,385	1,385	—
Exchange - - - - - Rx.	168,300	169,213	913	—
TOTAL - - - Rx.	95,154,100	95,187,429	33,329	—
EXPENDITURE.				
India:				
Imperial, Provincial, and Local, Rx.	65,857,600	66,279,531	—	421,931
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—654,200	—560,860	—	93,340
NET - - - Rx.	65,203,400	65,718,671	—	515,271
England - - - - - £.	15,796,500	15,707,367	89,133	—
Exchange - - - - - Rx.	13,163,700	13,068,281	95,419	—
TOTAL - - - Rx.	94,163,600	94,494,319	—	330,719
SURPLUS - - Rx.	990,500	693,110	—	297,390

1894-95. Restoration of the Famine Grant.

67. The partial restoration of the Famine Grant increased the Expenditure in India by Rx. 556,867, the amount charged to that grant for the construction of Protective Railways.

1894-95. General Results.

68. Apart from that special transaction the Expenditure in India fell short of the amount taken in the Revised Estimate by Rx. 134,936, while the Revenue in India exceeded the amount taken in the Revised Estimate by Rx. 31,031, giving a total improvement of Rx. 165,967. The division between Imperial and Provincial of the increase in Revenue and the saving in Expenditure was —

—	Imperial.	Provincial and Local.
	Rx.	Rx.
Increase in Revenue - - - - -	27,912	3,119
Saving in Expenditure - - - - -	44,715	90,221

the improvement in the Imperial Section being thus Rx. 72,627, and in the Provincial and Local Section Rx. 93,340. Adding to the Imperial improvement the increase in the Revenue in England, including Exchange, of Rx. 2,298, and the saving in the Expenditure in England, including Exchange, of Rx. 184,552, we arrive at Rx. 259,477 as the total improvement in the Accounts as compared with the Revised Estimate.

1894-95. Revenue in India.

69. The collections of Revenue in India fell short of the Revised Estimate, under Land Revenue (including Land Revenue due to Irrigation), by Rx. 203,689, and Telegraph by Rx. 29,989. Under almost all other heads the collections exceeded the Revised Estimate, the more important increases being Customs Rx. 51,955, Railways Rx. 31,839, Salt Rx. 20,049, and Army Rx. 12,257.

70. The

70. The Army Expenditure in India exceeded the Revised Estimate by Rx. 127,360. Under almost all other heads the Expenditure was less than the Revised Estimate, the more important decreases being under Political, Rx. 68,821, owing to the Amir of Afghanistan not having drawn his subsidy on due date, Land Revenue, chiefly Provincial and Local, Rx. 58,002, Assignments and Compensations, Rx. 42,950, and Railways, Rx. 29,205. 1894-95. Expenditure in India.

71. The Expenditure in England under Army fell short of the Revised Estimate by 87,157*l.*: the other variations in sterling Expenditure and Revenue are unimportant. 1894-95. Revenue and Expenditure in England.

72. The restoration of the Famine Grant transforms the improvement of Rx. 259,477 into a deterioration of Rx. 297,390, and reduces the surplus of Rx. 1,249,977, which would have been secured had the Famine Grant not been restored, to the actual surplus of Rx. 693,110. 1894-95. Final surplus in the Accounts.

73. The Expenditure not charged to Revenue amounted to Rx. 4,446,231, which is less by Rx. 753,769 than the amount, Rx. 5,200,000, entered in the Revised Estimate. The transfer of Rx. 556,867 to the Famine Grant, above mentioned, accounts for the larger part of the difference: the remainder is due to the expenditure of the Secretary of State on the purchase of Stores in the last month of the year being less than he anticipated. 1894-95. Expenditure not charged to Revenue.

Section II.—The Revised Estimates of 1895-96.

74. The following is a general comparison of the Budget Estimates with the Revised Estimates of 1895-96:— 1895-96. Statement of the gross figures.

—		Budget.	Revised.	Revised, better.	Revised, worse.
Revenue.					
India	Rx.	96,610,800	97,509,000	898,200	—
England	£.	171,000	210,300	39,300	—
Exchange	Rx.	142,500	158,600	16,100	—
Total	Rx.	96,924,300	97,877,900	953,600	—
Expenditure.					
India:					
Imperial, Provincial, and Local	Rx.	68,332,000	69,003,900	—	671,900
Adjustment of Provincial and Local Surplus or Deficit	Rx.	—623,300	383,000	—	1,006,300
Net	Rx.	67,708,700	69,386,900	—	1,678,200
England	£.	15,910,600	15,701,000	209,600	—
Exchange	Rx.	13,258,800	11,838,600	1,420,200	—
Total	Rx.	96,878,100	96,926,500	—	48,400
Surplus	Rx.	46,200	951,400	905,200	—

75. The outstanding causes of difference between the Budget and Revised Estimates of the year are, first, the cost of the Chitral Expedition; second, the rise in the rate of exchange from 13·09*d.* to 13·68*d.* the rupee; third, the partial restoration of the Famine Grant; fourth, the refund to the Provincial Governments of the contributions of Rx. 405,000 levied from them in 1894-95; and fifth, the Savings in Opium Expenditure. 1895-96. Main features.

 76. There

1895-96. General Results.

76. There has been an increase of revenue in India of the satisfactory amount of Rx. 898,200, Rx. 644,700 of it being provincial and local, and the remainder Imperial. (The reason why so large a proportion of the increase of revenue appears in the provincial section is explained below in paragraph 79.) The Imperial expenditure in India has exceeded the Budget Estimate by Rx. 1,033, 500 : the provincial and local expenditure, on the other hand, is less by Rx. 361,600. The improvement in provincial and local revenue and the saving in that expenditure together make up the difference of Rx. 1,006,300 in the "adjustment of provincial and local surplus and deficits" shown in the table in paragraph 74. The revenue in England has been slightly greater and the expenditure in England slightly less than the Budget Estimate, but the important feature in connection with the sterling figures is the large saving in expenditure secured by the rise in the rate of exchange.

1895-96. Decreases of Revenue in India.

77. The only decreases in revenue in India are insignificant diminutions in the police departmental receipts and minor irrigation receipts, a small diminution in the amount due from the Mysore Durbar on account of the interest charge on the Mysore Railway, which rises or falls with the net result of the working of the railway, and the following more important decreases :—

——	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Guaranteed Railways, net receipts - -	225,000	—	225,000
Land Revenue - - - - - -	545,900	—368,800	177,100
Land Revenue due to Irrigation - - -	73,600	—	73,600
Major Irrigation Works, direct receipts -	—21,500	106,600	85,100
Mint - - - - - - - - -	27,300	—	27,300

78. The falling off in the receipts of guaranteed railways occurs in the Great Indian Peninsula Railway. The other two guaranteed railways, the Madras and the Bombay Baroda and Central India, have both done better than there was reason to hope when the Budget Estimate was framed and than in the previous year, the goods traffic in particular having developed well. The receipts of the Great Indian Peninsula Railway were unprecedently low in 1894-95, and the Budget Estimate assumed that there would be a recovery this year of about Rx. 485,000. This has not occurred, and, though the net receipts will exceed those of last year, they will be less than the Budget Estimate by Rx. 400,000. The reasons assigned are a failure of the crops of wheat, seeds, and cotton, and the breaks which excessive rain caused in the south-eastern branch of the line in September last.

79. The division of the land revenue receipts between Imperial and provincial is affected by the refund to the provincial governments of the contributions: the refund is effected by transferring Rx. 405,000 from the Imperial to the provincial share of land revenue. The decrease under the head occurs in the North-Western Provinces and Oudh, Rx. 135,200, due to the failure of the cold weather rains this year which is expected to necessitate remissions and suspensions in this month : in the Central Provinces Rx. 90,700, arrears of 1894–95 caused by the bad seasons were expected to be collected this year, but the amounts have been remitted and there have been further suspensions of revenue ; and in the Punjab Rx. 53,600, due, as in the case of the North-Western Provinces, to the failure of the winter rains this year. In Bombay the collections are expected to exceed the Budget Estimate by Rx. 39,100 in consequence of the collection this year of arrears which remained uncollected in March last. The Budget Estimate provided for the collection of some arrears, but more arrears remained from 1894–95, *see* paragraph 69 above, and they have been collected ; the collections are expected to exceed the Budget Estimate also in Burma by Rx. 49,200, and in Madras by Rx. 30,700.

80. The

80. The decrease in land revenue due to irrigation occurs in Madras and Bombay; there were extensive relinquishments of water in the Godaveri and Kistna deltas, and certain villages in the former were exempted from the enhanced water rate; the *rabi* season was unfavourable to irrigation from the Desert and Eastern Nara Canals in Sind.

81. As explained in paragraph 130 of the Financial Statement for 1895–96, the heavy rainfall of the cold weather of 1894–95 in the North Western Provinces having reduced the need of irrigation, the Budget Estimate anticipated a diminution of Rx. 87,900 in the irrigation receipts in that province. That diminution, though larger than any previous experience justified, has proved to be insufficient, and a further decrease of Rx. 103,600 has occurred. The irrigation revenue in the North Western Provinces and Oudh is mainly provincial, and this very serious reduction has subjected the North Western Provinces and Oudh provincial finances to a serious strain, the stress of which is increased by the failure of the cold weather rains this year and the consequent prospect of scarcity (*see* paragraph 13). The loss of revenue in the North Western Provinces is counterbalanced to some extent by an increase in the Punjab.

82. The reduction in the Mint receipts occurs mainly in the gain on copper coinage. That gain varies with the amount of copper coin passed into circulation, which fluctuates from year to year; the tendency in certain years has been downwards, the issues of the past having fully met the demand, and this year the amount is less than for many years back.

83. The following are the important increases in revenue in India :— 1895–96. Increases of revenue in India.

	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Opium	196,500	—	196,500
Salt	97,400	3,300	100,700
Stamps	17,600	63,200	80,800
Excise	140,500	42,900	183,400
Customs	71,500	4,000	75,500
Telegraph	50,300	—	50,300
XXIV.—Exchange	98,000	—	98,000
State Railways, gross receipts	297,500	75,700	373,200
Army	51,900	—	51,900

84. In the Budget Estimate R 1,300 a chest was taken as the average price of Bengal opium, and the sales in January, February, and March were assumed at the same monthly quantity as that fixed for the calendar year 1895, namely, 3,105 chests a month; the average price realised has been R 1,390 a chest, and the sales of the last three months of the year were fixed in June last at 3,250 chests a month. These two causes, the former being much the more important, have resulted in an increase in the receipts from the sale of Bengal opium of Rx. 396,600. On the other hand, the exports of Malwa opium have seriously declined, causing a reduction in the Bombay receipts of Rx. 201,100.

85. The quantity of salt passed into consumption does not differ much from the quantity on which the Budget Estimate was based; on the whole the quantity issued will be rather less than anticipated, the falling off occurring in the issues of the Northern India Salt Department. But the receipts in Madras are expected to exceed the Estimate by Rx. 140,300, in consequence of the high price of Government paper having induced the dealers to pay the duty in cash to a greater extent than usual, instead of availing themselves of the option of taking credit for six months on lodging Government paper as security. The increase is accordingly not a real increase of revenue, but only a partial anticipation of next year's receipts.

 86. The

86. The revenue from stamps and excise has increased, as usual, the increases being distributed over most provinces, the important exceptions being the excise revenues of the Central Provinces and of the North Western Provinces and Oudh, which have decreased by Rx. 24,900 and Rx. 29,000, caused in both cases by the bad seasons which have fallen to the lot of those two provinces.

87. In the table in paragraph 144 below will be found a comparison of the Budget and Revised Estimates of customs duties from the several classes of articles subject to duty.

The import duty on cotton goods is expected to be less than estimated last March by Rx. 271,500. To a small extent this is due to the reduction in the rate of duty from 5 to $3\frac{1}{2}$ per cent. from the beginning of February by Act No. III. of 1896; but the main reason is the decline in the import of cotton goods. The causes of the decline are disputed; the Lancashire manufacturers attribute the decline to the imposition of the duties; but I accept rather the explanation given in India, which is, that the large imports of previous years had overstocked the markets.

The excise duty on cotton goods will produce Rx. 8,500 less than the amount taken in the Budget Estimate. But for the change in the law during the two last months of the year made by Act No. II. of 1896, the Estimate would have been realised. Manufactured cotton goods were rendered subject to excise duty by that Act, while yarns were exempted. To prevent the inconvenience which would have been caused by compelling the millowners to remove the stocks of goods ready for issue from the premises before they became liable to the new duty, it was provided that duty should not be levied on any stocks ready for issue before the new Act became law, subject to certain precautionary conditions. The issues from the mills in February and March will be from those stocks, and it is not expected that much excise duty on cotton goods as distinct from yarns will be realised in these two months.

The duty on rice, the duty on liquors, the duty on oils, the duty on silver, and the general import duties, will all produce considerably more than the Budget Estimate.

88. The telegraph revenue has increased at a more rapid rate than the normal, the chief cause being the larger number of State telegrams sent in connection with the field operations in Chitral.

89. The difficulties in estimating the fluctuating receipts under the head XXIV.—Exchange have been explained in previous Financial Statements.

90. The State railways as a whole show satisfactory progress. The only important decreases in receipts occur on the Rajputana-Malwa State Railway and the Indian Midland Railway. The receipts of the former railway rose to a very high figure in 1894–95, and it was expected that that would be maintained and slightly increased this year. The result, however, has been different; the earnings this year have fallen to about the level of 1893–94, and will be Rx. 240,000 lower than the Estimate. The falling off has occurred in the receipts from general merchandise traffic, notably oilseed, sugar, and wheat; the crops failed in the Rewari district. The receipts of the Indian Midland Railway are expected to fall short of the Budget Estimate by Rx. 80,000; this is ascribed to bad seasons in the district served by the railway. Improvements on other railways more than counterbalance these reductions, the largest being the East Indian Railway, Rx. 250,000, ascribed to a general development of traffic; the North Western Railway, Rx. 270,000, due to a large export traffic to Karachi, and the movement of troops and stores in connection with the Chitral Expedition; and the Eastern Bengal Railway, Rx. 90,000, caused by the conveyance of a specially large jute crop. It may be mentioned here that an unusually large proportion of the increase in the receipts of State railways is counterbalanced by an increase of Rx. 336,700 in their working expenses.

91. The increase in the Army receipts is caused by larger sales and issues of ordnance stores and arms, by recoveries of the value of stores and rations issued to troops on field service, and by an increase in the contributions for the Indian military service family pensions; the sales of commissariat stores, on the other hand, were less than the Estimate.

92. The

92. The main item of the increase of revenue in England is 28,600*l.* under Army; of that, 18,200*l.* occurs in the value of articles in the possession of regiments returning from India, and 3,900*l.* under the head of the Indian Troop Service. In consequence of the rise in the rate of exchange, the increase in the exchange on sterling revenue is not proportionate to the increase in that revenue. 1895-96. Revenue in England.

93. As mentioned above in paragraph 75, the two chief causes of the increase of expenditure in India above the Budget Estimate are the Chitral Relief Expedition and the restoration of the Famine Grant. The latter costs Rx. 534,800. The payments on account of the former in the current year are expected to be Rx. 1,647,500, being Rx. 1,497,500 in excess of the Budget provision of Rx. 150,000 for the preparations, which, immediately after the Financial Statement was issued, had to be merged in the cost of the expedition. Arrears of Rx. 20,000 are also expected to remain over for payment next year. 1895-96. Increases of expenditure in India.

94. The following is a statement of the important increases of expenditure in India:—

	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.
13.—Interest - - - - - - -	129,100	— 4,100	125,000
Construction of protective railways - -	534,800	—	534,800
State railways, working expenses - -	316,200	20,500	336,700
Army - - - - - - - - - -	1,137,700	—	1,137,700

95. The increase in the interest payments is caused by the payment of arrears of interest on notes of the 4 per cent. loans, chiefly those of an endowment by the late King of Oudh (referred to in paragraph 221 of last year's Statement), admitted to conversion for special reasons after the dates fixed in the notifications allowing conversion, and on notes presented for discharge.

96. The amount entered opposite Construction of protective railways is the amount required to bring the Famine Grant up to the total of Rx. 1,000,000.

97. Part of the increase in the working expenses of State railways is covered and caused by increase in the traffic receipts. The increases not so caused occur on the Rajputana-Malwa Railway, caused by a rise in the price of fuel; the Bengal and North Western Railway, caused by the rise in the price of fuel, by the renewals of portions of the line being greater than expected, and by increased payments due under the supplemental contract; and on the Oudh and Rohilkhund Railway, caused by the Estimate not having made sufficient provision for the renewals of rails and girders.

98. Under Army the Chitral Relief Expedition is expected to cost, as mentioned in paragraph 93 above, Rx. 1,497,500 more than the provision in the Budget Estimate. The military portion of the cost of the occupation of Chitral and its communications after the withdrawal of the relief force amounts this year to Rx. 102,200; the Tochi Garrison and the Perso-Baluch and Afghan-Baluch Boundary and the Sikkim Frontier escorts, and the Chin Hills operations, for which no provision was made, will cost Rx. 69,600; the expenditure on the Wano Garrison, the Gilgit Agency, and the Mekong escort, will cost Rx. 53,700 more than the Budget provision; the European Army this year has been generally slightly above the authorised strength instead of rather below, and this has caused an increase over the Budget Estimate of about Rx. 80,000; and the purchase of additional mules required for mobilisation purposes and their upkeep will cost this year about Rx. 5,000.

The items of increase over the Budget Estimate above enumerated amount to Rx. 1,808,000. This excess has been considerably reduced, to Rx. 1,137,700,

by savings in other parts of the Army expenditure. The more important of those savings are :—

	Rx.
In the cost of the Waziristan Field Force and other frontier operations and escorts	58,900
In Exchange Compensation	53,700
In charges for food and fodder owing to low prices	170,000
In charges for conveyance of troops and stores	71,000
In the maintenance of transport animals in Burma which were below strength	24,200
In transport charges in Bengal, the Punjab, and Bombay	15,000
In miscellaneous commissariat charges	36,000
In clothing charges, owing partly to a change of system, partly to the transfer of some charges to England, and partly to the failure of the contractors to supply a large number of boots within the year	77,200
In barrack establishments and supplies	16,700
In ordnance establishments and supplies	75,000
In compensation for dearness of provisions to Madras pensioners owing to the fall in prices	10,700

The total of these amounts to Rx. 608,400, reducing the excess of Rx. 1,808,000 to Rx. 1,199,600, and there have been other smaller savings.

1895-96. Decreases of Expenditure in India.

99. The increases in expenditure discussed in paragraph 93 and the paragraphs which follow it are counterbalanced to a considerable extent by savings under other heads. The more important of these are :—

Head.	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Land Revenue	25,600	75,800	101,400
Opium	676,600	—	676,600
Forest	36,700	18,600	55,300
Police	25,400	62,600	88,000
Guaranteed Railways, Surplus Profits, Land, and Supervision	85,700	—	85,700

100. Most of the Imperial savings under Land Revenue occur in Survey and Settlement operations in Upper Burma and Bengal. The Provincial and Local Savings occur in all the Provinces except the Punjab and the Central Provinces. Survey and Settlement operations as well as most of the other heads contribute to the decreases, which may be generally ascribed to the Budget Grants being fixed, as usual in the case of Provincial heads of Expenditure, on rather too liberal a scale.

101. The Estimate for Opium Expenditure was, as is customary, fixed on the assumption that the crop would be a normal average producing about 100,000 maunds, and a provision of Rx. 100,000 was also made for the purchase of Malwa Opium. The crop was again a very short one, and the payments were accordingly much less than the estimate. As has frequently been remarked in the annual Financial Statements, this saving is one which the Government of India would prefer not to have, as it imperils the Revenue in succeeding years, and the future loss may exceed the present gain.

102. The savings under Forest and Police occur in all the provinces (except Bengal under Forests, where the expenditure will exceed the estimate for the special reason mentioned in paragraph 146 below) ; and may be ascribed to the same cause as above assigned for the decrease under Provincial Land Revenue Expenditure.

103. The payments of Surplus Profits to Guaranteed Railway Companies have been less than the Estimate in consequence of the large reduction in the earnings of the Great Indian Peninsula Railway ; the profits payable to that Company

Company in 1895-96 are less than the estimate by Rx. 158,200. The increased traffic on the Bombay Baroda and Central India, and the Madras Railways, on the other hand has increased the payments to the former Company by Rx. 68,100, and has necessitated a payment to the latter Company of Rx. 6,300; the Madras Railway has never before earned surplus profits.

1895-96. Exchange Compensation Allowances.

104. One cause of saving which affects almost all the Expenditure heads of the Estimates is the rise in the rate of exchange above that assumed for the calculation of the cost of Exchange Compensation Allowances. The average rate taken for this purpose in the Budget Estimate was 13*d.* the rupee; the four quarterly rates with reference to which the Exchange Compensation Allowances have been paid are $12\frac{25}{32}d.$, $13\frac{9}{32}d.$, $13\frac{7}{32}d.$, and $13\frac{3}{4}d.$, yielding an average for the whole year just over $13\frac{1}{4}d.$ The following table shows the amount under each head of Expenditure in the Budget and Revised Estimates:—

	Budget Estimate, 1895-96.			Revised Estimate, 1895-96.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
3. Land Revenue	7,600	86,100	93,700	7,900	78,300	86,200
4. Opium	5,300	---	5,300	5,200	—	5,200
5. Salt	5,700	600	6,300	6,200	600	6,800
6. Stamps	100	300	400	100	300	400
7. Excise	1,300	300	1,600	1,100	300	1,400
9. Customs	2,300	2,900	5,200	2,000	4,100	6,100
10. Assessed Taxes	—	100	100	100	100	200
11. Forest	15,900	11,000	26,900	15,200	10,500	25,700
12. Registration	—	100	100	—	100	100
15. Post Office	5,000	—	5,000	4,000	—	4,000
16. Telegraph	18,000	—	18,000	14,700	—	14,700
17. Mint	2,800	—	2,800	2,600	—	2,600
18. General Administration	29,100	51,000	80,100	26,600	50,300	76,900
19A. Law and Justice, Courts of Law	5,900	142,500	148,400	6,000	128,500	134,500
19B. Law and Justice, Jails	2,900	9,600	12,500	2,600	8,600	11,200
20. Police	10,600	61,200	71,800	9,400	51,100	60,500
21. Marine	12,800	3,700	16,500	9,600	3,100	12,700
22. Education	700	22,600	23,300	400	18,400	18,800
23. Ecclesiastical	23,100	—	23,100	20,900	—	20,900
24. Medical	2,400	49,300	51,700	2,000	42,900	44,900
25. Political	31,200	6,600	37,800	27,200	5,900	33,100
26. Scientific and other Minor Departments	19,600	3,200	22,800	15,400	3,200	18,600
30. Stationery and Printing	300	1,400	1,700	500	1,300	1,800
32. Miscellaneous	—	100	100	—	100	100
35. Construction of Protective Irrigation Works.	300	—	300	—	—	—
38. State Railways, Working Expenses	85,200	2,600	87,800	89,300	2,300	91,600
39. Guaranteed Companies, Land and Supervision.	6,300	—	6,300	7,200	—	7,200
41. Miscellaneous Railway Expenditure	4,200	—	4,200	3,100	—	3,100
42. Major Works, Working Expenses	6,100	8,600	14,700	6,500	5,900	12,400
43. Minor Works and Navigation	6,100	600	6,700	4,600	400	5,000
44. Military Works	22,700	—	22,700	22,600	—	22,600
45. Civil Works	4,800	42,400	47,200	4,400	35,200	39,600
46. Army, Effective	610,000	—	610,000	556,300	—	556,300
47. Special Defence Works	1,400	—	1,400	—	—	—
Total Rx.	949,700	506,800	1,456,500	873,700	451,500	1,325,200

The distribution of the Provincial totals of Rx. 506,800 and Rx. 451,500 among the several Provinces is as follows:—

	1895-96.	
	Budget.	Revised.
	Rx.	Rx.
Central Provinces	27,500	24,600
Burma (Lower)	37,400	35,400
Assam	16,900	15,100
Bengal	109,300	92,200
North Western Provinces and Oudh	93,200	83,200
Punjab	58,600	54,100
Madras	85,900	74,400
Bombay	78,000	72,500
Total Rx.	506,800	451,500

 105. The

1895–96. Expenditure in England.

105. The Sterling Expenditure is expected to be less than the Budget Estimate by 209,600*l.* The interest charges are less by 35,400*l.*, of which 25,400*l.* represents the reduction in the rate of interest on India Bills, and 10,000*l.* the provision for interest on temporary loans from the Bank of England which have not been required. The demands for stores having been less than indicated in the estimates of requirements, the payments for stores are less than the estimate by a net amount of about 168,500*l.* The payments to the War Office in respect of Effective and Non-Effective Army Charges on account of 1894–95 turned out to be less than expected last March by 39,300*l.*

On the other hand, the contribution towards the expenses of Her Majesty's ships in Indian waters has been increased by 34,900*l.*; the payments of pensions and leave allowances in England have increased by 18,800*l.*, and there have been other small increases.

1895–96. Exchange.

106. The net charge for Exchange on Sterling Expenditure is less than in the Budget Estimate by Rx. 1,436,300. The net Sterling Expenditure is less by 248,900*l.*, and the exchange on this difference at 13·09*d.* the rupee, the rate of the Budget Estimate, is Rx. 207,400, which is the saving in exchange due to the decrease in the sterling payments. The direct saving from the rise in the rate of exchange from 13·09*d.* to 13·68*d.* the rupee is therefore Rx. 1,228,900.

Section III.—Budget Estimate of 1896-97.

1896–97. Statement of the gross figures.

107. The following is a general comparison of the Budget Estimates of 1896–97 with those of 1895–96:—

	1895-96.	1896–97.	1896–97, better.	1896–97. worse.
Revenue.				
India - - - - - Rx.	96,610,800	97,316,800	706,000	—
England - - - - - £.	171,000	174,100	3,100	—
Exchange - - - - Rx.	142,500	129,800	—	12,700
Total - - - Rx.	96,924,300	97,620,700	696,400	—
Expenditure.				
India—				
Imperial, Provincial, and Local Rx.	68,332,000	70,274,900	—	1,942,900
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—623,300	—886,400	263,100	—
Net - - - Rx.	67,708,700	69,388,500	—	1,679,800
England - - - - - £.	15,910,600	15,909,400	1,200	—
Exchange - - - - Rx.	13,258,800	11,859,700	1,399,100	—
Total - - Rx.	96,878,100	97,157,600	—	279,500
Surplus - - - Rx.	46,200	463,100	416,900	—

1896-97. Main features.

108. The important points of difference between the Estimates of the two years are, a sacrifice of Revenue to the extent of nearly Rx. 500,000 by the reduction of the Cotton Duties from 5 per cent. to 3½ per cent. *ad valorem*; a substantial increase in other revenue of about Rx. 1,200,000; the partial restoration of the Famine Grant; an expenditure of about Rx. 500,000 on

measures

measures of preparation for the mobilization of the Army; a moderate increase in other expenditure; and a large saving in Exchange consequent on the rise in the rate from 13·09*d.* to 13·75*d.* the rupee. The final result is that a moderate surplus is expected in 1896–97 as compared with the nominal surplus of the Estimates of 1895-96.

109. The Provincial and Local share of the increase in Revenue is Rx. 348,900, and of the increase in expenditure Rx. 612,000. The difference between these two amounts constitutes the increase of Rx. 263,100*l.* in the "Adjustment of Provincial and Local Surplus and Deficits."

110. The important decreases in Revenue in India are — 1896-97. Decreases of Revenue in India.

	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Land Revenue - - - - - - - -	161,600	114,700	276,300
Customs - - - - - - - - -	335,600	—2,800	332,800
Guaranteed Railways, Net Receipts - - -	262,000	—	262,000

111. We are usually able to count on an increase of Land Revenue from year to year. But in 1896-97 Burma is the only Province in which an appreciable increase (Rx. 91,200) is expected; Bengal will yield an increase of Rx. 9,700 in consequence of an increase of the recoveries of the landlords' and tenants' share of the cost of the Behar Survey. The chief reductions in Land Revenue occur in the North Western Provinces Rx. 172,900, Bombay Rx. 101,400, the Punjab Rx. 50,300, and the Central Provinces Rx. 32,700. In the North Western Provinces and the Punjab the falling off is caused, as in 1895–96, *see* paragraph 79, by the failure of the winter rains which will necessitate remissions and suspensions next year as well as this. The decreases in Bombay and the Central Provinces are due to the fact that the Estimate of 1895–96 included special amounts for the collection of arrears from 1894–95.

112. The reason why the Customs Revenue will be less in 1896-97 than this year is the reduction in the rate of duty on Cotton Goods and the exemption of cotton yarns from duty. The Estimate for the Import Duty on Cotton Goods is less than the Estimate of 1895–96 by Rx. 535,300, while the Excise Duty on Cotton Goods is greater by Rx. 40,000; though there will be no Excise Duty on yarns, the Excise Duty at 3½ per cent. will be levied on manufactured goods of all counts below as well as above 20*s.* The net reduction in Revenue caused by the legislation of February is therefore just under Rx. 500,000. This loss is partially counterbalanced by a satisfactory improvement in the Revenue from other goods, the following articles in particular yielding the increases shown opposite them :—

	Rx.
Manufactured articles and raw materials - - -	18,700
Oils - - - - - - - - - - -	28,700
Metals, other than silver - - - - - -	18,900
Articles of food and drink - - - - - -	20,300
Rice, export duty - - - - - - -	58,500

113. The reduction in revenue from Guaranteed Railways occurs on the Great Indian Peninsula Railway. The experience of 1895–96 has shown that it is not safe to count on the earnings of that railway being so high as they were taken in the Estimate of 1895-96.

114. The

1896-97. Increase of Revenue in India.

114. The more important heads under which increases of revenue in India are anticipated in 1896-97 are the following :—

———	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.
Opium - - - - - - - -	34,700	—	34,700
Stamps - - - - - - - -	20,100	64,400	84,500
Excise - - - - - - - -	159,900	50,500	210,400
Forest - - - - - - - -	58,200	31,900	90,100
Tributes - - - - - - - -	102,700	—	102,700
Post Office - - - - - - - -	82,600	600	83,200
Telegraph - - - - - - - -	71,000	—	71,000
State Railways—Gross Receipts - - -	271,900	48,300	320,200
Irrigation, Major Works—Direct Receipts -	237,900	155,500	393,400

115. The price for Bengal Opium is taken at the same figure, Rs. 1,300 a chest, as in the Estimate of 1895-96. As the quantity to be sold is slightly greater, the receipts from the sale of Bengal opium are increased by Rx. 226,200. On the other hand, the exports of Malwa Opium have, as mentioned in paragraph 84, fallen off considerably, and, although there will probably be a recovery in 1896-97, it is not considered safe to count on this: the estimate for Opium Pass Fees has accordingly been taken Rx. 200,000 lower than that of this year; and the total estimate for the head exceeds that of 1895-96 by Rx. 34,700 only.

116. The improvements under Stamps, Excise, Forest, Post Office, Telegraph, and State Railways, represent for the most part the ordinary development of Revenue which is annually secured.

117. The tribute payable by the Mysore Government was fixed in 1881 at Rx. 350,000 on the rendition of Mysore to the Maharaja, but, for special reasons connected with the financial condition of Mysore, the famine of 1876 to 1878 having placed a strain on the finances and left a legacy of debt behind it, it was decided to postpone levying the full amount for some years and to levy Rx. 245,000 only. The period of this postponement has now come to an end, and the full tribute is payable in 1896-97. This accounts for the increase shown opposite Tributes.

118. The failure of the cold weather rains in the North Western Provinces and the Punjab, which, as explained in paragraph 111, is responsible for a large part of the reduction in Land Revenue, causes also the greater portion of the exceptionally large increase under irrigation, the need for water for irrigation being increased by the drought. A portion, however, of the increase is due to the further development of irrigation from the Chenab and Western Jumna Canals. The Irrigation Revenue will be unprecedentedly high in the North Western Provinces and Oudh and in the Punjab. Though the increase is so large, Rx. 160,000 in the former and Rx. 233,700 in the latter province, it is confidently anticipated that it will be realised, as the very magnitude of the estimates proposed by the local authorities led to a very careful scrutiny of them before they were accepted.

1896-97. Revenue in England.

119. The Estimate for Revenue in England does not differ materially from that for 1895-96.

1896-97. Decreases of Expenditure in India.

120. The only two heads under which it has been possible to secure a reduction of any importance in Expenditure in India in 1896-97, as compared with the Budget Estimate of 1895-96, are—

———	Imperial.	Provincial.	Total.
	Rx	Rx.	Rx.
Interest on Ordinary Debt and - - - -	208,100	— 10,500	197,600
Opium - - - - - - - -	160,000	—	160,000

121. The

121. The bulk of the saving in Interest is caused by the usual transfer from Ordinary Debt to Debt charged against Railways and Irrigation Works. A small increase is, on the other hand, caused by the small provision made for the interest for a fraction of the year on the new loan of Rx. 4,000,000 which it is intended to raise: this is partially counterbalanced by the deduction from this head of the interest on the advances to be made to the Bengal-Nagpur Railway Company and the Indian-Midland Railway for the construction of the Sini-Midnapore-Cuttack-Calcutta and the Saugor-Katni Extensions; the credit for such interest is taken by deduction from the charge under 13.—Interest.

122. The reduction in Opium Expenditure is really only a matter of estimating. As the prospects of the crop are not known with any certainty when the Financial Statement is presented, our ordinary practice is to provide for the cost of a normal crop. Last year there was added a provision of Rx. 100,000 for the purchase of Malwa opium, which has been rendered necessary by the failure of the Bengal crops for some years past. It is still necessary to purchase Malwa opium; but, so far as it is possible to estimate the total outturn to be paid for, we believe the provision made in the estimate to be sufficient.

123. The important increases of Expenditure in India are— 1896-97. Increases of Expenditure in India.

	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Education	1,700	59,700	61,400
Telegraph	34,800	—	34,800
Famine Relief	—	70,000	70,000
Construction of Protective Railways	473,500	—	473,500
State Railways—Working Expenses	284,600	29,200	313,800
Interest on Debt incurred for Railways and Irrigation Works.	227,500	7,300	234,800
Subsidised Railways, Land, &c.	78,100	—	78,100
Irrigation—Minor Works	4,500	108,600	113,100
Military Works	68,800	—	68,800
Civil Works	56,000	202,500	258,500
Army	409,600	—	409,600

124. The increase under Telegraph is partly the normal growth of the expenditure consequent on the expansion of the operations of the Department, and is partly caused by a larger expenditure on stores and on repairs of old lines, the enforced economy of the last few years having caused undue restriction of expenditure: the balance of the stock of stores has been very largely reduced in the last three years by that economy.

125. The increase under Education is the usual increase of Provincial expenditure by the Governments which can afford it.

126. The failure of the cold weather rains in the North of India, in addition to reducing the Land Revenue (paragraphs 79 and 111) and increasing the Irrigation Revenue (paragraph 118), has also compelled the Government of the North-Western Provinces and Oudh to provide a sum of Rx. 70,000 for Famine Relief which may be necessary in 1896-97. That Government also expects to incur an expenditure of Rx. 10,000 on Famine Relief this year. The Bengal Government has also repeated next year a provision of Rx. 5,000 for Famine Relief by local bodies, which was made in the Estimate of this year, but will not be required. This does not, however, indicate any expectation of scarcity in Bengal. No other Government has thought it necessary to make any provision for Famine Relief; but in some places, particularly in the North-Western Provinces and in the Native States of Rajputana and Central India, the commencement of railway works in contemplation is being hastened on with the object of providing work in districts which are threatened with scarcity.

 127. The

127. The amount shown opposite Construction of Protective Railways is the entry to give effect to the restoration of the Famine Grant.

128. The increase in the Working Expenses of State Railways is covered by the increase in the Receipts. Ordinarily, however, the increase in the working expenses should be less by 50 per cent. approximately than that in the Receipts; but the Working Expenses of the North-Western Railway are increased by the addition to that line of the Mushkaf-Bolan section, which will yield very little revenue; the same remark applies to part of the Rohri-Kotri line; and specially large renewals of rails and of sleepers will come into next year's accounts.

129. The increase under Interest on Debt incurred for Railways and Irrigation Works is the interest on the Capital Expenditure in the current year.

130. The increase under Subsidized Companies, Land, &c., is due to provision having been made for land for the extension of the Bengal and North-Western Railway Company, for the South Behar, Southern Punjab, and Ahmedabad-Parantij Railways, under the contracts with which Companies the Government have to provide free of cost to the Companies the land required for the lines.

131. The Imperial grant for Minor Irrigation Works in Upper Burma has been increased by Rx. 30,000, as it has been shown to the satisfaction of the Government that a larger amount is required for the maintenance and extension of the existing Irrigation Works in the "dry zone" of Upper Burma. On the other hand, it has been found possible to reduce the Imperial grants in Bombay and the small Provinces under the direct control of the Government of India.

The local Governments of Madras, Bengal, the North-Western Provinces and Oudh, and Lower Burma, have all found it either necessary or desirable to increase the Provincial grants for Irrigation.

132. It has been found necessary to increase the expenditure on Military Works in order to construct works required for the occupation of Chitral and its communications (Rx. 21,600) and for the Cantonment at Tochi (Rx. 40,000).

133. The need of economy led to the reduction of the Imperial grant for Civil Works in the current year. It is possible next year to meet more of the numerous demands for new buildings and to provide Rx. 40,000 for the Bangalore water supply project. (Rx. 20,000 is also provided for that project from the Military Works Grant.) The burning of the Public Works Office in Simla also causes a special addition of Rx. 20,000 to admit of the re-construction of that building being begun.

The amount of the Provincial grants for Civil Works is a fair measure of the prosperity of the Provincial finances of the several Provinces. The Bengal finances are very flourishing, and that Government has accordingly provided for Civil Works Rx. 169,800 more than in 1895–96. Lower Burma has provided Rx. 69,300 more. Assam, the Punjab, and Bombay, have provided for smaller increases. The financial straits of the North-Western Provinces and Oudh, and the Central Provinces, have compelled those Governments to reduce the expenditure under this head.

134. The increase in the Army Expenditure is due to the decision to complete the preparations for mobilization, as explained in paragraphs 45 and 161. The total expenditure on those preparations next year will be Rx. 494,900. But for those charges, the Army Expenditure would have been less than the Estimate of 1895–96, although the increase in the pay of the Native Army, which had effect from 1st June last, causes an increase of Rx. 110,000; the extension of that increase in pay to men of the reserve, when called out for training, coupled with an increase in their number, an increase of Rx. 25,700; the new clothing system, an increase of Rx. 27,800; and greater activity in the Ordnance Department, an increase of Rx. 32,100. The rise in the rate of exchange is the main cause of reduction in the Army Expenditure, the charges for Exchange Compensation Allowance being less by Rx. 130,200, and for the pay of the British troops by Rx. 53,200. The fall in prices secures a saving of Rx. 60,000,

Rx. 60,000, and the charges for conveyance of troops and stores are expected to be less by Rx. 40,400.

135. The rate assumed in the Budget Estimate as the average rate with reference to which Exchange Compensation Allowance will be paid is 1*s.* 1$\frac{3}{4}$*d.*, the same as that taken for the conversion of sterling into rupees. The following table gives for the Budget Estimate of 1896–97 the same information as is given in the table in paragraph 104 for the Revised Estimate of 1895–96 :— 1896–97. Exchange Compensation Allowances.

	Budget Estimate, 1896–97.		
	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.
3. Land Revenue	6,800	68,200	75,000
4. Opium	4,500	—	4,500
5. Salt	5,300	500	5,800
6. Stamps	100	300	400
7. Excise	1,000	300	1,300
9. Customs	1,500	3,700	5,200
10. Assessed Taxes	200	100	300
11. Forest	12,800	8,900	21,700
12. Registration	—	100	100
15. Post Office	3,800	—	3,800
16. Telegraph	14,200	—	14,200
17. Mint	2,300	—	2,300
18. General Administration	23,500	41,800	65,300
19A Law and Justice—Courts of Law	5,000	111,200	116,200
19B. Law and Justice—Jails	2,300	7,600	9,900
20. Police	8,300	46,200	54,500
21. Marine	8,600	3,000	11,600
22. Education	600	17,900	18,500
23. Ecclesiastical	18,700	—	18,700
24. Medical	1,800	39,200	41,000
25. Political	24,700	5,400	30,100
26. Scientific and other Minor Departments	15,100	2,900	18,000
30. Stationery and Printing	400	1,100	1,500
32. Miscellaneous	—	100	100
38. State Railways—Working Expenses	73,300	2,000	75,300
39. Guaranteed Companies—Land and Supervision	6,400	—	6,400
41. Miscellaneous Railway Expenditure	1,300	—	1,300
42. Major Works—Working Expenses	5,800	5,700	11,500
43. Minor Works and Navigation	4,700	500	5,200
44. Military Works	19,300	—	19,300
45. Civil Works	3,500	31,700	35,200
46. Army—Effective	479,800	—	479,800
47. Special Defence Works	—	—	—
Total Rx.	755,600	398,400	1,154,000

The distribution of the Provincial total of Rx. 398,400 among the several provinces is :—

	Rx.
Central Provinces	22,100
Burma (Lower)	31,700
Assam	13,100
Bengal	81,300
North-Western Provinces and Oudh	73,000
Punjab	45,600
Madras	66,500
Bombay	65,100
Total Rx.	398,400

1896-97. Expenditure in England.

136. The estimate of the expenditure in England in 1896–97 is less than that for 1895–96 by 1,200*l.* The cost of Telegraph Stores will be more by 13,300*l.*; the contribution to Her Majesty's Government towards the expenses of Her Majesty's Ships employed in Indian seas by 17,800*l*; Civil Superannuation Allowances and Pensions by 34,000*l.*; interest on Capital Deposited by Railway Companies by 27,900*l.*, and Army Pensions and Non-Effective Services by 31,600*l.* On the other hand, the provision of 30,000*l.* made in 1895–96 for the visit to England of the son of the Amir of Afghanistan is not required next year; the cost of Marine Stores will be less by 18,800*l.*; the Effective Army Charges by 53,600*l.*; and the payments for Stores for the Special Defence Works by 41,400*l.*

1896-97. Exchange.

137. In 1896–97 the charge for Exchange on the net Sterling Expenditure is less than in the Budget Estimate of 1895–96 by Rx. 1,386,400. The net Sterling Expenditure is less than in the Estimate of 1895–96 by 4,300*l.*, and the exchange on this difference at 13·09*d.* the rupee is Rx. 3,600. The direct saving from the rise in the rate of exchange from 13·09*d.* to 13·75*d.* the rupee is therefore Rx. 1,382,800.

Section IV.—Examination of the Estimates under the more Important Heads of Revenue and Expenditure.

Land Revenue.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
ncluding that due to Irrigation:						
India, General - -	139,065	175,044	143,356	154.100	142,000	150,000
Central Provinces - -	695,038	692,222	658,389	897,300	806.600	864.600
Upper Burma - - -	662,178	722,809	798,181	794.000	769,000	797,000
Lower Burma - - -	1,605,479	1,609,106	1,658,524	1,671,800	1,746,000	1,760,000
Assam - - - -	472,950	561,728	602,190	621.000	613.000	614,200
Bengal - - - -	3,849,609	3,871,432	3,890,942	3,885,000	3,888,500	3,894,700
North-Western Provinces and Oudh.	6,044,912	6,054,373	5,872,663	6,286,800	6,151,600	6,113,900
Punjab - - - -	2,356,434	2,445,535	2,410,721	2,499.700	2,446,400	2,457,100
Madras - - - -	5,157,847	5,488,492	5,594,408	5,596,900	5,569,700	5,601,700
Bombay - - - -	4.644,122	4,715,794	4,555,037	4,892,700	4,915,800	4,770,000
Total - - Rx.	25,627,634	26,336,535	26,184,411	27,299,300	27,048,600	27,023,200
Shown under XXIX.—Irrigation	722,306	746.926	776,139	929,700	856,100	929.900
Shown under I.—Land Revenue	24,905,328	25,589,609	25,408,272	26,369,600	26,192,500	26,093,300
Expenditure.						
District Administration - -	2,245,258	1,836,660	1,845,760	1,876,300	1,865.200	1,900,200
Other Charges - - -	1,691.087	2,184,953	2,202,372	2,312,800	2.222,000	2,275,600
Total - - - Rx.	3,936,345	4,021,613	4,048,132	4,189,100	4,087,200	4.175,800

138. From

138. From the above Table it will be seen that the progress of this important head of revenue has received a check. The Budget Estimate of this year will not be realised, and the estimate for next year is even lower than the probable realisations of this year. This temporary check is caused by bad seasons. The failure of the rains this cold weather largely reduces the collections of Land Revenue in the North-Western Provinces and Oudh and in the Punjab, both this year and next. The season was unfavourable in the Central Provinces a year earlier, and the amounts of which the collection was suspended then, which it was hoped would be collected this year, had ultimately to be remitted altogether; an increase of Rx. 47,500 is expected next year in that province owing to revision of assessments, but even with that increase the Revenue next year, though higher than the probable collections, will be less than the Budget Estimate of this year. In Madras there has been some falling-off this year in the Irrigation portion of the Land Revenue, as explained in paragraph 80, but the ground lost will be more than made up next year. In Bombay the Budget Estimate of this year provided for the collection of considerable arrears, and the collections will exceed the Estimate; the absence of arrears reduces the Estimate for next year. In Upper Burma a bad season in the "dry zone" has reduced the collections of thathameda (house or poll tax) this year. In Lower Burma the season has been favourable and the revenue is progressing.

Opium.

		Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
Revenue.							
Bengal—Sale of Opium	Rx.	6,093,265	4,808,376	5,321,390	4,843,800	5,240,400	5,070,000
Bombay—Pass Fees	„	1,670,730	1,600,530	1,801,258	1,790,000	1,590,000	1,590,000
Excise opium and other Revenue	„	229,185	218,665	201,109	226,800	226,700	235,300
Total	Rx.	7,993,180	6,627,571	7,323,757	6,860,600	7,057,100	6,895,300
Expenditure.							
Payments to Cultivators, including purchase of Opium	Rx.	1,388,583	1,679,776	1,417,713	2,533,300	1,882,900	2,340,000
Other Charges	Rx.	212,798	194,722	195,792	220,600	194,400	253,900
England	£.	696	1,278	1,419	700	600	800
Exchange	Rx.	419	831	1,181	600	400	600
Total	Rx.	1,602,496	1,876,607	1,616,105	2,755,200	2,078,300	2,595,300
Statistics.							
Bengal:							
Chests sold		48,852	43,353	39,780	37,260	37,695	39,000
Average Price	Rs.	1,247	1,109	1,338	1,300	1,390	1,300
Chests produced		33,679	40,506	33,329	—	—	—
Chests in balance, 31st March		34,592	31,745	25,293	—	—	—
Reserve, 31st December		9,265	1,814	1,279	—	—	—
Bombay:							
Chests passed for Export		27,845½	26,675½	29,577½	27,538½	24,461	24,461
Rate of Duty	Rs.	600	600	600 & 650	650	650	650

139. The figures in the above Table and the remarks in paragraphs 84 and 115 give all the information that is required regarding the Opium Revenue and Expenditure.

SALT.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Northern India (*a*)	2,118,090	1,838,656	1,894,320	1,949,800	1,880,000	1,930,000
Burma (*b*)	162,213	167,590	118,989	150,300	160,000	165,000
Bengal (*b*)	2,410,119	2,374,133	2,458,219	2,459,500	2,480,000	2,470,000
Madras (*a*)	1,721,224	1,629,776	1,795,354	1,819,700	1,960,000	1,820,000
Bombay (*a*)	2,244,458	2,218,721	2,398,867	2,315,000	2,315,000	2,315,000
TOTAL Rx.	8,656,104	8,228,876	8,665,749	8,694,300	8,795,000	8,700,000
Charges	458,707	474,405	498,415	534,100	520,500	566,900

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

140. As explained in paragraph 85, the large increase in the Revised Estimate of Revenue in 1895–96, which occurs almost entirely in Madras, does not indicate an increase in the consumption of a corresponding quantity, but is caused by the payment six months earlier than the rules in that province require of the duty on much of the salt cleared. The administration of the Salt Law is being made more effective in Burma, and the revenue in that province is recovering from the very low level of 1893–94. In India proper, that is excluding Burma, the consumption of salt increases slowly from year to year, and the revenue as a whole increases; the other variations in the figures of the above Table are caused chiefly by transfers of demand from one source of supply to another. When the season is unfavourable for the production of salt at the Sambhar Lake, a large portion of the demand is transferred to Baragora salt, and the receipts of the Northern India Salt Department diminish, while those in Bombay increase; when the course of trade or of exchange increases or decreases the imports into Calcutta, the quantity supplied from the Northern India Department is diminished or increased; but the total revenue is not affected by these changes in the source of supply.

The Budget Estimate of Revenue is almost the same as that for 1895–96.

The savings in the Revised Estimate of Expenditure for 1895–96 occur partly in Madras and partly in the Northern India Salt Department. The increase in the Estimate for next year is almost entirely in Madras, where the Local Government considers that larger expenditure is required for the proper development of the operations of the Department.

STAMPS.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
REVENUE.						
Court Fees and Plain Paper Rx.	2,995,369	3,063,463	3,162,521	3,184,000	3,220,500	3,228,800
Commercial and other Stamps „	1,374,200	1,368,399	1,383,285	1,385,600	1,424,300	1,422,900
Other Revenue „	78,971	77,489	79,874	78,600	84,200	81,000
TOTAL Rx.	4,448,540	4,509,351	4,625,680	4,648,200	4,729,000	4,732,700
Charges:						
India Rx.	91,170	92,424	93,211	95,200	94,800	96,600
England (Stores) £.	31,277	38,875	45,103	55,600	45,000	46,000
Exchange Rx.	18,817	25,263	37,525	46,300	33,900	34,300
TOTAL Rx.	141,264	156,562	175,839	197,100	173,700	176,900

141. The

141. The Stamp Revenue continues to increase. The increase in the Revised Estimate of 1895-96 is distributed over all the provinces except Burma and the Central Provinces, the large increases being in Bombay, Rx. 34,000, the Punjab, Rx. 16,000, and Madras, Rx. 18,000.

The Sterling Expenditure, for the purchase of stores, was considerably over-estimated in this year's Budget Estimate, and the saving (including Exchange) amounts to Rx 23,000. There was a small saving in the expenditure in India.

Excise.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96.		1896-97, Budget.
				Budget.	Revised.	
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Bengal	1,159,458	1,214,817	1,256,235	1,270,000	1,330,000	1,330,000
North-Western Provinces	549,877	572,202	574,554	580,000	551,000	565,000
Madras	1,211,146	1,287,466	1,367,157	1,370,000	1,435,000	1,445,000
Bombay	1,025,696	1,071,765	1,100,897	1,098,000	1,160,000	1,160,000
Other Provinces	1,296,266	1,242,323	1,228,833	1,216,300	1,241,700	1,244,700
Total	5,242,443	5,388,573	5,527,676	5,534,300	5,717,700	5,744,700
Charges	193,013	193,375	192,809	210,100	207,100	221,500

142. The Excise Revenue also increases rapidly from year to year. The largest increases this year are in Madras, Rx. 65,000, Bengal, Rx. 60,000, and Bombay, Rx. 62,000, and the only two provinces in which the revenue has fallen below the Estimate are the North-Western Provinces and Oudh and the Central Provinces, in both of which the general prosperity of the population has been affected by bad seasons. The Estimates for next year are generally for the same amount as now expected this year; but in the North-Western Provinces and the Central Provinces the Estimate assumes the recovery of some of the ground lost this year, and in Madras an increase is taken of Rx. 10,000, as the extension of the toddy tree tax will add to the revenue.

Provincial Rates.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96.		1896-97, Budget.
				Budget.	Revised.	
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
District Local Funds	2,058,273	2,080,643	2,074,933	2,129,800	2,155,200	2,151,800
Provincial Cesses, including Famine Insurance.	693,011	690,918	692,610	701,100	693,100	692,000
Village Service and Patwaris	840,972	608,886	643,959	695,400	729,300	693,200
Other Cesses	114,242	134,124	129,652	127,700	121,900	132,200
Total	3,706,498	3,514,571	3,541,154	3,654,000	3,699,500	3,669,800
Charges	55,659	53,809	56,438	55,900	55,200	56,600

143. The

143. The receipts have declined in Bengal, the North-Western Provinces and Oudh, and the Punjab. The great bulk of the increase of the Revised over the Budget Estimate of 1895–96 occurs in Madras, where the cesses constituting the Village Service Funds have yielded a yearly increasing revenue. The rate of those cesses is to be reduced from nine pies to eight pies in the rupee from the 1st July next; the consequent reduction in next year's revenue is partially made good by increases in other provinces and in other receipts in Madras.

CUSTOMS.

	Accounts, 1892–93.	Accounts, 1893–94.	Accounts, 1894–95.	1895–96.		1896–97, Budget.
				Budget.	Revised.	
Import Duties—	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Arms, Ammunition, and Military Stores.	31,162	35,133	32,238	33,000	31,800	32,400
Liquors—Spirits	541,191	529,505	549,952	543,000	579,400	546,700
Other sorts	69,062	66,046	61,657	59,000	67,300	63,800
Articles of Food and Drink	–	18,871	299,515	292,000	314,100	312,300
Chemicals, Drugs, Medicines, &c.	450	3,498	92,740	91,000	98,900	97,200
Silver Bullion and Coin	–	3,697	349,192	250,000	311,600	250,000
Other Metals and Manufactures of Metals.	–	36,230	206,723	206,000	252,900	224,900
Oils	202,309	263,868	323,727	369,000	429,800	397,700
Manufactured Articles	–	30,987	586,135	629,500	640,700	648,200
Raw Materials and Unmanufactured Articles.	–					
Cotton Goods	–	–	385,268	1,440,000	1,168,500	904,700
TOTAL IMPORT DUTIES	844,174	987,835	2,887,147	3,912,500	3,895,000	3,477,900
Excise Duty on Cotton Goods	–	–	10,392	75,000	66,500	115,000
Export Duties—						
Rice	743,356	663,026	906,538	780,200	877,600	838,700
Land Customs and Miscellaneous	30,103	31,512	50,878	47,000	51,100	50,300
GRAND TOTAL	1,617,633	1,682,373	3,854,955	4,814,700	4,890,200	4,481,900
Charges	140,634	143,736	174,547	210,300	201,000	207,300

144. There has been a change in the law which affects the revenue under this head, by the passing, on the 3rd February 1896, of Acts Nos. II. and III. of 1896. These Acts abolished the import and excise duties at 5 per cent. on cotton yarns, reduced the import duty on manufactured cotton goods from 5 per cent. to $3\frac{1}{2}$ per cent., and imposed an excise duty of $3\frac{1}{2}$ per cent. on cotton goods of all counts manufactured in Indian mills. These measures involved a sacrifice of revenue of about Rx. 500,000, that from the import duties being largely reduced, and that from the excise duties slightly increased; the increase in the amount of the excise duties will be somewhat larger in subsequent years than in 1896–97, as the issue from the mills in that year will to some extent be made from the exempted stocks which were ready for issue but not issued on 2nd February, as explained in paragraph 87 above.

A considerable portion of the revenue thus remitted is made good by the growth of the revenue from the duties on other articles than cotton. Kerosine oil and liquors and the export duty on rice have yielded a specially high revenue this year, and it is assumed that a part of the increase will be retained next year. The imports of silver have been higher than anticipated in the the Budget Estimate, but, as it is expected that they will decline, the revenue from silver is taken in the Estimate for 1896–97 at the same amount as in that

for

for 1895-96. The revenue is expanding satisfactorily under all the other heads, and credit is taken in the Estimate for 1896-97 to a moderate extent for the expansion.

The cost of the establishments for collecting the new duties was rather over-estimated in 1895-96, and the Estimate for 1896-97 is placed at a slightly lower figure.

ASSESSED TAXES.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96.		1896-97, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Deduction by Government from Salaries, Pensions, and Interest payments.	416,786	435,138	459,557	448,800	456,100	456,000
Other Collections - - - - -	1,269,355	1,304,033	1,348,503	1,350,400	1,382,600	1,387,200
TOTAL - - -	1,686,141	1,739,171	1,808,060	1,799,200	1,838,700	1,843,200
Charges - - - - - - -	30,171	31,060	29,771	31,800	29,900	31,400

145. The moderate but steady increase of revenue under this head continues, Burma and the Central Provinces being the only provinces which do not share in the general progress.

A review of the history and progress of the assessed taxes for the eight years ending 1893-94 was published in the "Gazette of India" of the 23rd November last.

FOREST.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96.		1896-97, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - - - -	1,591,332	1,723,022	1,631,548	1,642,200	1,686,500	1,732,300
Expenditure - - - - -	865,225	906,407	913,449	995,100	940,900	1,045,800
Net - - -	726,107	816,615	718,099	647,100	745,600	686,500

146. The Forest Revenue is developing satisfactorily everywhere except in the Central Provinces, the North West Provinces and Oudh, and the small provinces under the direct control of the Government of India. The larger contributions to the increases over the Budget Estimate of 1895-96 of Rx. 44,300 in the Revised Estimate for that year and of Rx. 90,100 in the Estimate for next year are:—

	Revised Estimate, 1895-96.	Budget Estimate, 1896-97.
	Rx.	Rx.
Lower Burma - - - - - - - -	21,000	8,500
Upper Burma - - - - - - - -	28,400	33,400
Bengal - - - - - - - - -	9,000	46,000
Punjab - - - - - - - - -	11,600	8,500
Madras - - - - - - - - -	18,000	14,600
Bombay - - - - - - - - -	10,400	—7,900

It is not considered safe to count on the high receipts this year in Lower Burma and Bombay being repeated in 1896–97. The specially large increase in Bengal next year is the result of a contract to supply sleepers to the Rai Bareli-Benares Railway; the collection of the sleepers has caused an increase in the expenditure in that province in 1895–96.

As is usually the case, the expenditure will be less than the Budget Estimate this year. The increase in the Estimate for 1896–97 is a necessary accompaniment of the increase in revenue; but it will probably be found that the Local Governments have over-estimated their requirements.

INTEREST RECEIPTS.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
RECEIPTS.						
India - - - - Rx.	830,418	858,921	808,121	795,900	798,000	839,600
England - - - £.	24,543	10,041	3,789	5,000	13,000	5,000
Exchange - - - Rx.	14,766	6,525	3,152	4,200	9,800	3,700
TOTAL - - - Rx.	869,727	875,487	815,062	805,100	820,800	848,300

147. The increase in the receipts in India in 1896–97 is due to the fact that the instalment of Rx. 40,000 of interest on the Kidderpore Dock Loan, payment of which was postponed for two years in 1894, will be payable next November.

The receipts in England vary with the amount of the Secretary of State's cash balance available for investment. But a large part of the increase in the Revised Estimate of this year is explained by an exceptional receipt from a Railway Company credited under this head.

INTEREST EXPENDITURE.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
Interest on Debt:						
India - - - Rx.	4,267,841	4,273,814	4,573,871	3,633,400	3,763,000	3,707,000
Deduct charged to—						
Irrigation - „	1,138,386	1,165,558	1,194,115	1,222,400	1,222,600	1,254,100
Railways - „	3,169,522	3,346,574	3,517,197	3,687,400	3,691,800	3,926,900
Balance charged to Interest - - Rx.	—40,067	—238,318	—137,441	—1,276,400	—1,151,400	—1,474,000
England - - - £.	2,433,496	2,505,280	2,611,921	2,658,100	2,622,700	2,656,400
Exchange - - - Rx.	1,464,053	1,628,094	2,173,077	2,215,100	1,977,500	1,980,200
Interest on other Obligations:						
Savings Bank Balances Rx.	339,362	367,966	296,968	336,700	309,900	328,800
Other Items—including Exchange - - „	177,419	183,347	179,492	182,000	183,700	185,300
TOTAL - - - Rx.	4,374,263	4,446,369	5,124,017	4,115,500	3,942,400	3,676,700
Debt outstanding, 31st March:						
Sterling - - - £.	106,683,767	114,113,792	116,005,826	116,109,492	116,004,226	116,090,526
Rupee Debt:						
4 per Cent. - - Rx.	100,471,572	100,706,332	5,556,946	103,455,778	5,436,846	107,507,640
3½ per Cent. - - „	52,180	3,551,280	95,492,040		96,408,500	
Other Debt - - „	2,413,800	1,288,466	3,324,754		1,937,294	
Savings Bank Balances - „	9,774,656	10,322,541	10,535,018	11,043,041	11,111,818	11,862,618

148. As

148. As stated in paragraph 95 above, the payments in India of interest on debt have been swelled this year by payment of arrears of interest due on discharged and converted 4 per cent. paper. The estimate next year includes a small provision for the interest which will be payable for a fraction of the year on the intended new loan.

The interest on debt charged to irrigation and railways increases with the annual additions to the capital expenditure on which that charge is made.

The reduction in the sterling charges for interest on debt in 1895–96 has been explained in paragraph 105.

Post Office, Telegraph, and Mint.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
Post Office.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue	1,488,875	1,561,263	1,631,815	1,687,500	1,703,600	1,770,700
Expenditure	1,518,545	1,557,457	1,606,281	1,662,700	1,631,800	1,692,600
Net	−29,670	+3,806	+25,534	+24,800	+71,800	+78,100
Telegraph.						
Revenue Accounts:						
Revenue	937,743	959,096	978,697	1,035,800	1,086,800	1,106,400
Expenditure	673,039	684,782	732,044	769,900	738,700	795,200
Net	+264,704	+274,314	+246,653	+265,900	+348,100	+311,200
Capital Expenditure	202,034	217,351	75,904	171,100	166,000	192,800
Mint.						
Revenue	310,335	227,355	35,106	57,700	30,400	37,200
Expenditure	112,007	91,080	51,946	53,800	51,200	52,900
Net	+198,328	+136,275	−16,840	+3,900	−20,800	−15,700

149. The Post Office and Telegraph Departments continue to make satisfactory progress, the net financial result in both Departments improving from year to year. As explained in paragraphs 88 and 124, the increase in the Telegraph receipts has been unusually large this year, and an unusually large increase of expenditure has had to be sanctioned in 1896–97.

150. Now that the Mints are closed, the only receipts of any importance are the percentage charged for coining British dollars (this covers the expenditure which the work involves) and the gain on copper coinage. The amount of silver presented at the Bombay Mint to be coined into dollars has been less than promised. As explained in paragraph 82, the gain on copper coinage, which depends on the amount of coin passed into circulation, is a fluctuating receipt, and is specially low this year; for next year the receipts have been placed at a slightly higher figure than in the Revised Estimate of 1895–96, but still considerably below the average.

The closing of the Mints has rendered possible a considerable reduction of the expenditure, though not of course to the extent of the diminution in the receipts.

CIVIL DEPARTMENTS.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
General Administration:						
India - - - Rx.	1,462,538	1,519,132	1,586,216	1,570,900	1,586,800	1,575,800
England - - - £.	255,545	265,812	273,303	251,900	245,900	251,600
Exchange - - Rx.	153,742	172,742	227,384	209,900	185,400	187,500
Law and Justice:						
Courts - - - Rx.	2,877,112	2,996,460	3,070,575	3,128,500	3,089,200	3,112,400
Jails - - - Rx.	918,060	924,053	905,140	957,700	942,000	972,300
Police - - - - Rx.	3,873,645	3,919,785	3,989,003	4,097,100	4,009,800	4,113,900
Marine:						
Imperial (a) - - Rx.	703,088	595,675	531,281	611,400	615,400	578,400
Provincial - - Rx.	154,021	158,581	141,361	156,500	141,300	167,100
Education - - - Rx.	1,437,024	1,471,761	1,511,223	1,587,300	1,539,000	1,648,100
Ecclesiastical - - - Rx.	168,107	176,602	185,521	195,400	191,900	195,700
Medical - - - - Rx.	941,642	979,122	1,015,230	1,044,600	1,031,500	1,073,900
Political - - - Rx.	842,117	965,828	897,584	1,057,000	1,057,700	980,600
Scientific and Minor Departments - - - Rx.	473,271	492,287	501,388	511,300	512,800	542,200
TOTAL - - - Rx.	14,259,912	14,637,840	14,835,209	15,379,500	15,148,700	15,399,500

(a) Includes Upper Burma charges.

151. Most of the expenditure under this group is Provincial, and is of a kind which must increase with the increase in efficiency and working power of the administration. The rise in exchange has diminished the increase this year and next by reducing the amount payable as Exchange Compensation Allowance. The only other matter which need be separately noticed is that the political charges connected with the Chitral Relief Expedition and the subsequent occupation of Chitral and its communications have increased the political expenditure this year by about Rx. 20,000. The increase next year caused by the decision to occupy Chitral and its communications is estimated at Rx. 22,000. This is a permanent increase, which will continue in future years, though it may be possible to effect some reduction in the amount of it. There will also be new charges in 1896-97 of about Rx. 7,500 on account of the new political establishments in Waziristan and other places on the middle portion of the North Western Frontier; this is in addition to the increased allowances to tribes on the Bannu and Derajat Frontier of Rx. 10,400, for which the Budget Estimate of 1895-96 made provision to the extent of Rx. 11,000.

MISCELLANEOUS CIVIL CHARGES.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
Territorial and Political Pensions - - - Rx.	541,592	508,443	471,077	474,400	459,400	455,500
Civil Furlough and Absentee Allowances:						
India - - - Rx.	1,335	1,548	1,271	1,000	1,100	1,100
England - - - £.	207,826	197,521	220,651	218,000	224,000	226,000
Exchange - - Rx.	125,033	128,362	183,578	181,700	168,900	168,500
Superannuation Allowances and Pensions:						
India - - - Rx.	881,190	910,547	944,865	962,600	968,700	997,900
England - - - £.	1,810,546	1,784,051	1,788,908	1,812,500	1,825,300	1,846,500
Exchange - - Rx.	1,089,270	1,159,393	1,488,343	1,510,400	1,376,300	1,376,500
Stationery and Printing - Rx.	647,973	683,181	695,189	697,500	712,100	715,500
Miscellaneous - - - Rx.	233,075	273,831	271,823	245,600	229,100	242,800
TOTAL - - - Rx.	5,537,840	5,646,877	6,065,705	6,103,700	5,964,900	6,030,300

152. The

152. The general remarks regarding the heads included in this group made in previous Financial Statements need not be repeated. There is nothing requiring special remark this year.

FAMINE RELIEF AND INSURANCE.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Famine Relief	70,841	496	10,258	5,000	10,500	75,000
Construction of Protective Railways	984,469	1,060,954	556,867	–	534,800	473,500
Construction of Protective Irrigation Works	60,793	56,351	43,110	50,000	40,200	50,000
TOTAL	1,116,103	1,117,801	610,235	55,000	585,500	598,500
Net Charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account	383,897	371,768	389,765	366,800	414,500	401,500
TOTAL EXPENDITURE CHARGEABLE TO THE FAMINE GRANT	1,500,000	1,489,569	1,000,000	421,800	1,000,000	1,000,000

153. The explanations required regarding this group will be found in paragraphs 1 to 7, 96, 126, and 127.

RAILWAY REVENUE ACCOUNT.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
STATE RAILWAYS:						
Gross Receipts - Rx.	15,814,807	16,879,107	18,152,155	18,001,900	18,375,100	18,322,100
Working Expenses - Rx.	7,944,868	8,263,975	8,791,031	8,697,000	9,033,700	9,010,800
Interest and other Charges:						
India - - - Rx.	3,180,215	3,358,968	3,532,222	3,702,600	3,706,400	3,943,100
England - - - £.	3,578,193	3,589,593	3,584,284	3,585,100	3,586,300	3,612,000
Exchange - - - Rx.	2,152,731	2,332,751	2,982,068	2,987,600	2,704,100	2,692,600
Net Result - - - Rx.	—1,041,200	—666,180	—737,450	—970,400	—655,400	—936,400
GUARANTEED RAILWAYS:						
Net Traffic Receipts - Rx.	3,244,413	3,383,812	3,050,311	3,495,000	3,270,000	3,233,000
Surplus Profits, Interest, and other Charges:						
India - - - Rx.	614,020	607,753	638,588	620,200	535,500	632,400
England - - - £.	2,145,297	2,154,720	2,154,714	2,161,300	2,161,600	2,160,700
Exchange - - Rx.	1,290,665	1,400,277	1,792,688	1,801,100	1,629,800	1,610,700
Net Result - - - Rx.	—805,569	—778,938	—1,535,679	—1,087,600	—1,056,900	—1,170,800
Other Receipts - - Rx.	17,883	34,054	41,694	39,900	29,200	28,100
Other Charges - - Rx.	18,166	124,439	117,054	130,100	100,600	195,200
STATISTICS:						
State Railways:						
Capital Expenditure to 31st March:						
Expenditure by Government - - Rx.	110,202,627	114,277,052	118,718,037	122,616,552	122,884,737	128,879,437
Expenditure by Companies - - Rx.	23,513,080	24,261,335	24,937,833	25,673,335	25,988,633	28,980,133
TOTAL - Rx.	133,715,707	138,538,387	143,655,870	148,289,887	148,873,370	157,859,570
Miles open on 1st April -	13,106	13,461	13,806	14,166	14,146	14,872
Guaranteed Railways:						
Miles open on 1st April -	2,588	2,587	2,587	2,587	2,587	2,587

154. The variations in the Estimates of receipts and working expenses of State Railways have been explained in paragraphs 90, 97, 116, and 128.

The Revised Estimate of net receipts on State Railways exceeds the Budget Estimate for 1895-96 by a small amount only, namely, Rx. 36,500. The small increase of the interest charges in India in 1895-96 over the Budget Estimate is due to additional capital expenditure having been sanctioned after the issue of the Financial Statement; the difference would have been much larger, but for the fact that in the Budget Estimate the capital expenditure to the end of 1894-95 was over-estimated by Rx. 189,115. The small increase in the sterling interest charges is caused by the East Indian Railway having issued debentures for 150,000*l.* at 2½ per cent. The exchange on the sterling payments of interest is less by Rx. 283,500, due to the rise in the rate of exchange; this is the item which causes the bulk of the improvement of Rx. 315,000 in the net result of the working of State Railways.

In 1896-97 the net receipts of State Railways are practically the same as in the Budget Estimate for 1895-96. The interest charges in India are greater by Rx. 240,500, caused by the progress of capital expenditure. The sterling interest charges are greater by 26,900*l.*, in consequence chiefly of the issue of debentures by the East Indian Railway Company, the Bengal-Nagpur Railway Company, the Indian Midland Railway Company, and the Assam-Bengal Railway Company. The exchange on sterling interest is less by Rx. 295,000; and this large saving more than counterbalances the increases under the interest charges in India and England, and makes the net result better than that of the Budget Estimate of 1895-96 by Rx. 34,000.

155. The diminution of the net traffic receipts of Guaranteed Railways this year and next has been explained in paragraphs 78 and 113; and the decrease in the payment of surplus profits in 1895-96 in paragraph 103; the sterling interest charges remain practically the same. As in the case of State Railways, it is the reduction of the charge for exchange, Rx. 171,300 in 1895-96 and Rx. 190,400 in 1896-97, which mainly accounts for the improvement of the net result of the working of Guaranteed Railways in the Revised Estimate for 1895-96, and which largely covers the falling off in the net receipts and the increase in the surplus profits in the Estimate of 1896-97.

156. The railway revenue on the whole shows fair progress from year to year. The Estimates of revenue for 1896-97 have been framed with considerable caution, which is deemed necessary in view of the experience of this year, and of the fact that the failure of the winter rains in the north of India will cause scanty harvests, and will probably reduce the traffic of the more important railways.

IRRIGATION.

IRRIGATION.	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
MAJOR WORKS.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue:						
Direct Receipts - - -	1,510,730	1,349,685	1,370,587	1,350,300	1,265,200	1,743,700
Land Revenue - - -	722,306	746,926	776,139	929,700	856,100	929,900
Expenditure:						
Working Expenses - -	793,951	788,957	799,759	813,200	791,400	820,700
Interest - - - - -	1,138,386	1,165,558	1,194,115	1,222,400	1,222,600	1,254,100
Net - - -	+ 300,699	+ 142,096	+ 152,852	+ 244,400	+ 107,300	+ 598,800
MINOR WORKS.						
Receipts—Direct - -	185,866	199,708	192,089	204,300	203,800	209,700
Expenditure - - -	1,008,142	908,052	958,906	1,014,900	1,000,300	1,128,800
STATISTICS OF MAJOR WORKS.						
Capital outlay to 31st March	28,923,097	29,679,280	30,343,404	31,106,480	31,109,404	31,921,104

157. The figures in the above table and the explanations in paragraphs 80, 81, and 118, give all the information required regarding major irrigation works. It need only be added that the decrease of Rx. 21,800 in the Revised Estimate of working expenses is due to the curtailment of expenditure in the North Western Provinces and Oudh necessitated by the financial straits.

158. The

158. The receipts from minor works in 1896-97 are expected to be slightly higher (Rx. 5,400) than in 1895-96, owing to the current rabi season in the North Western Provinces and Oudh being favourable for canal irrigation. The expenditure of 1896-97 will exceed the Budget Estimate of 1895-96 by Rx. 113,900, owing chiefly to provision having been made for larger outlay on the Cooum improvement scheme in Madras, and for new irrigation works in Upper and Lower Burma.

159. The financial results obtained during 1893-94 and 1894-95 from irrigation works for which capital and revenue accounts are kept are given below :—

	1893-94.	1894-95.
MAJOR WORKS :	Rx.	Rx.
Capital outlay— Direct and indirect { During the year	780,660	695,032
Capital outlay— Direct and indirect { To end of year	31,031,280	31,731,986
Revenue Account— Gross revenue	2,130,271	2,182,413
Maintenance and working	875,620	888,558
Net Revenue	1,254,651	1,293,855
Interest	1,165,554	1,194,115
Net Profit	89,097	99,740
Percentage of net revenue of the year on the capital outlay to end of the year	4·04	4·08
MINOR WORKS :		
Capital outlay— Direct and indirect { During the year	85,512	70,531
Capital outlay— Direct and indirect { To end of year	4,821,615	4,849,733
Revenue Account— Gross revenue	560,806	536,014
Maintenance and working	228,781	262,070
Net Revenue	332,025	273,944
Percentage of net revenue of the year on the capital outlay to end of the year	6·89	5·06

The figures in this table are taken from the administrative accounts. On minor works interest on the capital outlay is not charged, as the capital expenditure is incurred from revenue.

BUILDINGS AND ROADS.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
MILITARY WORKS :	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
In Upper Burma	169,437	150,448	90,467	91,800	81,800	85,400
Elsewhere	1,027,362	1,030,160	917,484	1,074,500	1,071,000	1,148,000
Deduct receipts	45,274	45,894	59,654	45,800	50,000	50,000
Net	1,151,525	1,134,714	948,297	1,120,500	1,102,800	1,183,400
CIVIL WORKS :						
Imperial—						
Expenditure	772,731	836,288	655,009	796,300	774,200	850,300
Receipts	56,438	59,254	60,365	62,300	61,900	59,300
Provincial—						
Expenditure	2,162,357	2,116,812	1,991,074	2,077,000	2,086,500	2,306,000
Receipts	285,329	292,660	295,474	275,800	302,000	274,400
Local—						
Expenditure	1,714,593	1,677,144	1,698,767	1,777,400	1,746,600	1,750,900
Receipts	266,147	276,546	276,984	268,500	284,800	280,900

160. The increases of expenditure of 1896-97 have been explained in paragraphs 132 and 133.

Army Services.

	Accounts, 1892-93.	Accounts, 1893-94.	Accounts, 1894-95.	1895-96. Budget.	1895-96. Revised.	1896-97, Budget.
Effective Services.						
Regimental Pay and Allowances:						
India - - - Rx.	7,327,119	7,889,626	8,348,840	8,604,500	8,658,100	8,634,700
England - - - £.	1,327,172	1,070,454	1,100,282	1,100,000	1,053,500	1,088,000
Exchange - - - Rx.	798,460	695,651	915,417	916,700	794,400	811,100
Total - - Rx.	9,452,751	9,655,731	10,364,539	10,621,200	10,506,000	10,533,800
Less—Receipts - - Rx.	14,155	12,018	8,040	7,900	7,400	7,700
Net - - Rx.	9,438,596	9,643,713	10,356,499	10,613,300	10,498,600	10,526,100
Commissariat:						
India - - - Rx.	3,664,059	3,402,755	3,127,955	3,392,900	3,060,600	3,887,800
England - - - £.	42,567	30,864	22,720	19,700	24,400	16,600
Exchange - - - Rx.	25,610	20,057	18,902	16,400	18,400	12,400
Total - - Rx.	3,732,236	3,453,676	3,169,577	3,429,000	3,103,400	3,916,800
Less—Receipts - - Rx.	412,173	443,707	447,666	456,800	432,500	448,200
Net - - Rx.	3,320,063	3,009,969	2,721,911	2,972,200	2,670,900	3,468,600
Ordnance:						
India - - - Rx.	790,195	830,074	828.120	906,300	827,500	970,400
England - - - £.	593,772	557,264	330,784	419,000	340,500	387,500
Exchange - - - Rx.	357,228	362,147	275,207	349,200	256,700	288,800
Total - - Rx.	1,741,195	1,749,485	1,434,111	1,674,500	1,424,700	1,646,700
Less—Receipts - - Rx.	114,658	104,350	197,079	94,800	106,300	106,700
Net - - Rx.	1,626,537	1,645,135	1,237,032	1,579,700	1,318,400	1,540,000
Other Heads:						
Expenditure - - Rx.	3,736,616	3,743,641	4,006,466	4,265,900	5,574,800	4,028,000
Receipts - - - Rx.	243,463	199,801	253,599	189,900	290.300	203,500
Net - - Rx.	3,493,153	3,543,840	3,752,867	4,076,000	5,284,500	3,824,500
Non-effective Services:						
India - - - Rx.	931,156	938,666	903,410	922,400	912,600	919,500
England - - - £.	2,388,297	2,250,122	2,302,415	2,334,600	2,316,100	2,366,200
Exchange - - - Rx.	1,436,860	1,462,276	1,915,573	1,945,500	1,746,300	1,763,900
Total - - Rx.	4,756,313	4,651,064	5,121,398	5,202,500	4,975,000	5,049,600
Less—Receipts - - Rx.	79,871	90.350	103,813	102,200	114,200	113,000
Net - - Rx.	4,676,442	4,560,714	5,017,585	5,100,300	4,860,800	4,936,600
Grand Total:						
India - - - Rx.	15,589,091	15,964,836	16,245,960	17,070,500	18,208,200	17,480,100
England - - - £.	4,888,796	4,417,792	4,285,043	4,430,500	4,205,100	4,408,500
Exchange - - - Rx.	2,941,224	2,870,969	3,565,088	3,692,100	3,170,600	3,286,300
Total - - Rx.	23,419,111	23,253,597	24,096,091	25,193,100	25,583,000	25,174,900
Less—Receipts - - Rx.	864,320	850,226	1,010,197	851,600	950,700	879,100
Net - - Rx.	22,554,791	22,403,371	23,085,894	24,341,500	24,633.200	24,295,800

161. The

161. The course of Army Expenditure follows the same general lines as in the last few years. The Expenditure in India continues to increase and the Sterling Expenditure to decrease. The re-arming of the troops and batteries with new rifles and guns caused heavy expenditure on Military Stores which began in 1887-88, and the Sterling Expenditure increased from that year onwards to 1892-93, when it reached its maximum; since then it has declined, the re-armament having been completed. In the Revised Estimate for 1895-96 the Sterling Expenditure is less than the Budget Estimate of the year by 225,400*l.*; the Estimate for 1896-97, though it exceeds the Revised Estimate, is less than the Budget Estimate of 1895-96 by 22,000*l.*

The increase of the Expenditure in India occurs this year and next, in spite of the fact that one cause which has for many years past increased the expenditure has now turned in the other direction and effects a considerable saving; in the Exchange Compensation Allowances charged under Army the rise in the rate of exchange causes a saving, as compared with the Budget Estimate of 1895-96, of Rx. 53,700 in 1895-96, and of Rx. 130,200 in 1896-97, and in the pay of the British Troops the rise causes a saving in 1896-97 of Rx. 53,200. A fall in the prices of food-grains and fodder also secures a saving of Rx. 170,000 in 1895-96 and of Rx. 60,000 in 1896-97.

The particular causes which account this year and next for the increase of Army Expenditure in India, notwithstanding the savings just mentioned, are the Chitral Relief Expedition in 1895-96, the completion of measures of preparation for Mobilisation in 1896-97, and in both years the permanent occupation of Chitral and its communications after the withdrawal of the Relief Force.

The total expenditure incurred in India in connection with the Chitral Relief Force is estimated at Rx. 1,734,700, of which Rx. 67,200 was incurred in 1894-95; Rx. 1,647,500 is expected to be spent in 1895-96, and Rx. 20,000 will remain over for payment in 1896-97. There will also be an expenditure of 16,000*l.* in England this year to replace stores issued to the Relief Force. The occupation of Chitral and its communications will cost, under Army, this year Rx. 102,200, and next year Rx. 231,700. That occupation also involves additional expenditure under other heads of the Estimates.

The measures of preparation for mobilisation and the reasons for undertaking them have been described above in paragraph 45. The total cost of them in 1896-97 will be Rx. 494,900, of which Rx. 434,800 will be non-recurring initial expenditure and Rx. 60,100 recurring; in subsequent years the recurring charges, for the maintenance of transport animals and the replacement of stores, will be greater, the normal recurring charges for a full year being estimated at Rx. 129,700.

The rise in the rate of exchange causes a large saving in the Exchange on Sterling Expenditure; this saving is sufficient to reduce the total expenditure on the Army in 1896-97 to an amount slightly below the Budget Estimate of 1895-96.

The Revised Estimate of 1895-96 and the Budget Estimate of 1896-97 include Rx. 362,500 and Rx. 382,500 respectively on account of Extra Army Expenditure in Upper Burma.

Special Defence Works.

162. The following table shows the expenditure on "Special Defence Works":—

	Rx.
To end of 1886-87	150,409
1886-87	325,626
1887-88	456,017
1888-89	789,595
1889-90	689,481
1890-91	491,837
1891-92	604,848
1892-93	458,060
1893-94	324,974
1894-95	217,867
1895-96, Budget Estimate Rx. 154,700; Revised Estimate	110,500
1896-97, Budget Estimate	57,500
	4,676,714

The expenditure on Special Defences has now been practically completed. The sum provided for expenditure in 1896-97 should be enough to complete the Special Defences programme as far as is considered necessary. The total expenditure falls short of the sum of Rx. 5,030,000 sanctioned for the Defences, as it has been decided not to proceed at present with certain inland defences contemplated in the original programme.

It may be of interest to give a short general description of what has been accomplished, which will be enough to show how greatly this expenditure has added to the defensive strength of India.

The expenditure has sufficed to provide efficient coast defences, armed with modern breech-loading guns, for Aden, Karachi, Bombay, the Hooghly, and Rangoon; also to provide seven first-class torpedo-boats, two torpedo gun-boats ("Assaye" and "Plassey"), a new armament for the turret-ships "Abyssinia" and "Magdala," and a number of armed guard-boats.

Inland, a large sum has been spent on defences and military establishments at Quetta, including an advanced position covering the place, strategic roads, and defences for various bridges, tunnels, &c., on the Sindh-Pishin Railway. The Indus crossings at Attock and Sukkur have been defended; an entrenched position has been formed at Rawal Pindi, and a defensible post at Multan; an arsenal has been established at Ferozepore; and a variety of minor works, such as defences for some important railway bridges and remodelling existing inland defences, have been carried out.

Section V.—CAPITAL EXPENDITURE ON PUBLIC WORKS NOT CHARGED AGAINST REVENUE.

163. As explained in paragraph 205 of the Financial Statement of March 1895, the programme for Capital Expenditure as it then stood contemplated the expenditure of Rx. 4,400,000 in each of the years 1895–96 and 1896–97.

The importance attached to progress in the construction of railways subsequently led to additions to these amounts. The Budget Estimate of 1895–96, which was prepared for the sum named, was increased by grants equal to the expenditure proposed in the year on the Assam-Bengal Railway, and aggregating Rx. 1,124,100. This increased grant was distributed thus:—

	Rx.
Railways	4,774,100
Irrigation Works	750,000

The Assam-Bengal Railway Company, however, has not been able to spend the whole of its grant, and the whole of the grant for Irrigation Works has not been spent. The Revised Estimate for 1895–96 accordingly amounts for Railways to Rx. 4,157,000, and for Irrigation Works to Rx. 705,000. Of the Railway Expenditure the sum of Rx. 534,800 is taken against the Famine Grant as Expenditure on Protective Railways.

The additions made in 1896–97 to the sum of Rx. 4,400,000 are:—

	Rx.
For the Assam-Bengal Railway (this is in addition to an expenditure equivalent to 316,000*l.* to be covered by additional capital and debentures which the Company will raise in England).	1,198,000
For the East Indian Railway (this is in addition to expenditure equivalent to 414,700*l.*, to be covered by the estimated unexpended portion of the 150,000*l.* debentures raised by the Company during 1895–96, and by 400,000*l.* debentures to be issued by the East Indian Railway Company in England during 1896–97).	112,200
For the Tirhoot Railway	400,000
For the Mandalay-Kunlon Railway	620,000

The total grant in 1896–97 thus becomes Rx. 6,730,200, which is thus distributed:—

	Rx.
Railways	5,980,200
Irrigation Works	750,000

Of

Of the Railway Grant Rx. 473,500 is shown against the Famine Grant as expenditure on Protective Railways.

Even the above total does not exhaust the expenditure on the construction of railways contemplated next year. The following further lines are also to be constructed through the agency of companies:—

	Probable Approximate Expenditure in 1896–97.
	Rx.
Extensions of the Bengal-Nagpur Railway to Midnapur, Calcutta, and Cuttack - - -	1,578,600
An extension of the Indian-Midland Railway from Saugor to Katni - - - - - - -	836,400
Extensions of the Bengal and North-Western Railway to Benares - - - - - -	600,000
The Southern Punjab Railway from Delhi to Samasata - - - - - - - - -	1,000,000
The South Behar Railway - - - - - -	240,000
The Ahmedabad-Parantij Railway - - -	124,000
TOTAL - - -	4,379,000

These companies are all either guaranteed or assisted by the Government.

Including the expenditure by the Assam-Bengal and the East Indian Railway Companies from capital raised in England, the total of the programme for capital expenditure on Railways and Irrigation Works in 1896–97 accordingly exceeds twelve crores of rupees.

48.—STATE RAILWAYS—CONSTRUCTION.

164. The Budget grant for 1894–95 amounted to Rx. 3,450,000 as under:—

	Rx.
Amount provided under "Not charged to Revenue" - - -	4,000,000
Deduct,—	
Provision for Irrigation Works - - - - - - - -	550,000
Leaving for Railways under 48 - - -	3,450,000

The Revised Estimate for 1894–95 provided for a total expenditure of Rx. 4,610,000 as under:—

	Rx.
Amount provided under "Not charged to Revenue" - - -	5,200,000
Deduct,—	
Provision for Irrigation Works - - - - - - - -	590,000
Leaving for Railways under 48 - - -	4,610,000

against which the actual expenditure incurred amounted to Rx. 4,408,953, thus falling short of the Revised Estimate by Rx. 201,047, and exceeding the Budget provision by Rx. 958,953. Of moneys placed at his disposal up to the 30th November 1894 (date of dispatch of indents from India), the Secretary of State was unable to spend 123,789*l.*, which sum with exchange and charges upon it amounted to Rx. 227,913.

 165. The

165. The amounts provided for Railway Construction this year and next year are, as explained above, Revised Estimate 1895–96, Rx. 4,157,000, and Budget Estimate 1896–97, Rx. 5,980,200, the distribution of which is as follows :—

	Revised Estimate, 1895–96.	Budget Estimate, 1896–97.
EXPENDITURE BY STATE AGENCY.	Rx.	Rx.
Open Lines:		
North-Western	199,100	289,900
Oudh and Rohilkhand, including Lucknow-Rae Bareli and Bareilly-Rampur-Moradabad	135,900	83,800
Eastern Bengal	141,600	497,500
Burma	—11,000	42,800
Warora Colliery	—7,000	13,500
Umaria Colliery	5,300	5,400
Frontier Railway Reserve Material	2,300	400
Petroleum Operations, Baluchistan	—500	—
Bellary-Kistna	100	—
TOTAL	465,800	843,300
Lines under Construction:		
East Coast, including Bezwada Extension	690,000	197,800
Mu Valley	121,900	100,000
Mandalay-Kunlon	50,000	620,000
Rae-Bareli-Benares	60,000	240,000
North-Western Railway—Gradient Improvement Works	3,900	—10,000
Mari-Attock	259,800	300,000
Mushkaf-Bolan	208,200	195,000
Kotri-Rohri	675,700	511,000
Wazirabad-Lyallpur	207,100	92,500
Cawnpore-Lucknow-Gogra (Linking-up Scheme)	110,200	9,600
Bezwada-Madras	140,000	800,000
TOTAL	2,526,800	3,055,900
TOTAL STATE AGENCY	2,992,600	3,899,200
EXPENDITURE BY AGENCY OF COMPANIES.		
Open Lines:		
East Indian	555,000	850,000
Rajputana-Malwa System	104,200	96,900
Tirhoot	60,300	32,500
Bhopal	5,100	3,000
Wardha Coal	700	7,500
Dhond and Manmad	21,600	4,000
South Indian	45,000	50,000
Guntakal-Mysore Frontier	2,000	4,000
TOTAL	793,900	1,047,900

			Revised Estimate, 1895–96.		Budget Estimate, 1896–97.
Lines under Construction :			Rx.		Rx.
Godhra-Rutlam			31,600		*
Assam-Bengal	Land, Part I.		85,000		150,000
	Construction, Part II.		1,353,300		1,600,000
Rutlam Ujjain			131,600		47,500
Bezwada-Madras (Madras-Ennore Section)			43,000		—
Tirhoot Railway Extensions			—		400,000
		TOTAL	1,644,500		2,197,500
		TOTAL COMPANIES' AGENCY	2,438,400		3,245,400
		TOTAL ALLOTMENTS	5,431,000		7,144,600
Add,—Reserve			36,600		92,100
		TOTAL	5,467,600		7,236,700
		Rx.		Rx.	
Deduct,—Amount provided for East Indian Railway from debentures raised by Company		245,000		737,800	
Subscribed capital and debentures of the Assam-Bengal Railway Company		976,300		552,000	
			1,221,300		1,289,800
		GRANT AVAILABLE	4,246,300		5,946,900
Stores			—89,300		33,300
		TOTAL GRANT	4,157,000		5,980,200

* Included with Rajputana-Malwa Railway System.

49.—IRRIGATION—CONSTRUCTION.

166. The figures of the Accounts and Estimates for Capital Expenditure on Irrigation Works not charged to Revenue are :—

Accounts, 1892–93.	Accounts, 1893–94.	Accounts, 1894–95.	1895–96.		Budget, 1896–97.
			Budget.	Revised.	
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
531,091	681,684	594,145	700,000	705,000	750,000

The difference of Rx. 5,000 between the Budget and Revised Estimates of 1895–96 was transferred from the extra grant made for Railways in the course of the year. The Budget grant provides for an increased allotment in the North-Western Provinces and Oudh.

 167. The

SECTION VI.—WAYS AND MEANS.—HOME TREASURY.

167. The following are the usual details of the Home Treasury transactions:—

	Budget, 1895-96.	Revised, 1895-96.	Budget, 1896-97.
Receipts.	£.	£.	£.
Council Bills	17,000,000	18,300,000	16,500,000
Permanent Debt incurred	—	—	2,400,000
Capital Receipts from Railway Companies	3,311,500	794,900	2,952,000
Deposits and Advances, net	—1,300	—4,300	4,900
Add,—Opening Balance	2,446,164	2,503,124	3,794,724
TOTAL £.	22,756,364	21,593,724	25,651,624
Outgoings.			
Excess of Expenditure over Revenue	15,739,600	15,490,700	15,735,300
Expenditure not charged to Revenue	849,600	708,000	1,247,100
Permanent Debt discharged	—	1,600	2,313,700
Issues to Railway Companies on Capital Account.	3,733,700	927,800	3,580,100
On account of Remittances from India, net	757,000	670,900	311,600
Add,—Closing Balance	1,676,464	3,794,724	2,463,824
TOTAL £.	22,756,364	21,593,724	25,651,624

1895–96. General Summary.

168. In the Budget Estimate of 1895–96, the net disbursements of the Home Treasury were taken at 17,769,700*l.*; it was proposed to provide 17,000,000*l.* of this by the sale of Bills on India, and to meet the balance, 769,700*l.*, by a reduction of the cash balances. According to the Revised Estimates the net disbursements will be 17,008,400*l.*, an amount practically equal to the original estimate of drawings of the year, and no encroachment on the cash balances would be necessary even if the Secretary of State's drawings were limited to about 17,000,000*l.* The Secretary of State has, however, taken advantage of the trade demands to increase his drawings in 1895–96 by a corresponding reduction in the amount that would otherwise have been drawn in 1896–97. The total drawings in the current year are now expected to be 18,300,000*l.*, and the cash balances on 31st March 1896 to be 2,118,260*l.* in excess of the Budget Estimate.

169. No

169. No addition to the sterling debt has been made in 1895–96, but, in accordance with the intention announced in paragraph 237 of the last Financial Statement, a temporary loan of 2,000,000*l.* was raised in the year to repay that amount of India Bills due for repayment on the 12th May 1895. The India Bills were issued in May 1895, having a currency of 12 months. They were taken up at a price which results in an average rate of interest of 1*l.* 4*s.* 7*d.* per cent. per annum. 1895–96. Sterling Loans.

170. The net issues to railway companies in England in 1895–96 are now estimated to be 132,900*l.* against 422,200*l.* entered in the Budget Estimate, showing a reduction of 289,300*l.* The following are the details:—

	Budget.	Revised.
RECEIPTS.	£.	£.
Subscribed capital—		
(*a*) State Lines - - - - -	1,701,200	783,300
(*b*) Guaranteed Lines - - - -	1,607,300	—
Miscellaneous - - - - - -	3,000	11,600
TOTAL - - -	3,311,500	794,900
ISSUES.		
For discharge of debentures—		
(*a*) State Railways - - - -	1,171,200	—
(*b*) Guaranteed Lines - - - -	1,607,300	—
For Stores, Establishment Charges, &c.—		
State Railways - - - - -	325,100	359,100
Guaranteed Lines - - - - -	630,100	568,700
TOTAL - - -	3,733,700	927,800

It was intended to replace Indian Midland Railway Debentures for 1,171,200*l.* and Great Indian Peninsula and Madras Railway Debentures for 1,607,300*l.* by fresh capital, but the debentures have been renewed. On the other hand, the Revised Estimate includes a receipt of 250,700*l.* raised by the Indian Midland Railway Company for expenditure on the Saugor-Katni Railway.

The estimates of the demands of the companies for stores, establishment charges, &c., have proved too high, except for the Bengal Central, the Bombay Baroda and Central India, the Bengal-Nagpur, and the Indian Midland Railways. The increase in the case of the last two lines is due to expenditure on the Cuttack-Midnapore-Sini and the Saugor-Katni lines.

171. The reduction in the net remittances to India of 86,100*l.* is the difference between an increase in the receipts of 210,300*l.* and an increase in the total payments of 124,200*l.* The more important items of increase in the receipts are:— 1895–96. Remittances to India.

(1) £.149,200 paid by the East Indian Railway Company, which issued debentures for 150,000*l.* under the authority of the East Indian Railway Company's Act, 58 Vict. c. 20;

(2) £32,000 on account of remittances of officers and men of the Hong Kong Regiment and Asiatic Artillery; and

(3) repayment, to the extent of 11,000*l.*, of advances at Zanzibar in connection with the Uganda Administration.

As regards the payments, the advances for the purchase of stores for the East Indian and the Rajputana-Malwa Railways are expected to exceed the Budget Estimate by 214,500*l.*, but this excess is counterbalanced to some extent by smaller family and miscellaneous remittances to England through Government.

1896–97. Home Treasury.—Ways and Means.

172. The net disbursements at the Home Treasury in 1896–97, excluding Loans and Council Bills, are estimated at 17,917,200*l.*, against 17,769,700*l.* in the Budget Estimate of 1895–96. The Secretary of State's present estimate of drawings in 1895–96 exceeds the requirements of the year by about 1,300,000*l.*, and this excess diminishes the requirements in 1896–97. It is, therefore, the present intention of the Secretary of State to draw in 1896–97 16,500,000*l.* only by Bills on India.

173. No increase in the sterling debt in 1896-97 is contemplated at present, but it is intended to issue India Stock for 2,400,000*l.* in order to discharge 2,000,000*l.* India Debentures falling due on the 16th August 1896, and 313,700*l.* South Indian Railway Debentures falling due on the 1st July 1896. It is also intended to issue India Bills for 2,000,000*l.* to repay the same amount of Bills falling due on the 11th of May 1896.

174. It should be understood that in stating the present intentions of the Secretary of State no sort of pledge is given that he will adhere to the programme.

INDIA.

Ways and Means in India.

175. The following is a summary of the Estimate of Ways and Means in India :—

	1895-96.		1896-97.
	Budget.	Revised.	Budget.
RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of Revenue in India over the Expenditure charged against it - -	28,902,100	28,122,100	27,928,300
2. Rupee Loan - - - - - - -	—	—	4,000,000
3. Increase of the Unfunded Debt, mostly Savings Bank Deposits, net - -	522,300	653,500	831,100
4. Other items, net - - - - -	754,300	1,220,200	474,500
5. *For Remittance to Secretary of State, net*	754,500	693,900	295,500
Add,—Opening Balance - -	22,679,488	22,529,488	16,500,488
TOTAL - - -	53,612,688	53,219,188	50,029,888

The headings in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

GOVERNMENT OF INDIA FOR 1896-97.

	1895–96.		1896–97.
	Budget.	Revised.	Budget.
OUTGOINGS.	Rx.	Rx.	Rx.
6. Excess Expenditure charged to Provincial Balances	623,300	—383,000	886,400
7. Expenditure not charged to Revenue	2,842,400	3,085,400	4,080,000
8. Rupee Debt discharged	890,100	591,100	275,000
9. Loans to Municipalities, &c., net	513,400	297,400	406,100
10. *Issues on Capital Account to Railway Companies, net*	196,800	144,200	1,526,400
11. Council Bills—*Sterling Amount*	17,706,800	18,743,700	16,503,400
12. Ditto Exchange	14,777,200	14,239,900	12,296,600
Add—Closing Balance	16,062,688	16,500,488	14,055,988
TOTAL	53,612,688	53,219,188	50,029,888

The headings in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

1895-96. General Summary.

176. The net transactions of the year 1895-96 as now estimated reduce the cash balances by Rx 6,029,000, as compared with the reduction of Rx. 6,616,800 anticipated in the Budget Estimate. This improvement of Rx. 587,800 is the balance of a number of differences. There were larger issues from treasuries in consequence of the additions to the Railway Capital expenditure as already explained in paragraph 160, and of the increased payments for Council Bills. On the other hand, the net result of the deposit and loan transactions did not reduce the balances to the extent anticipated. The year is now expected to close with a cash balance of Rx. 16,500,488.

1896-97. Main Features.

177. The large excess of the cash balances in India over our requirements caused by the failure to sell Council Bills in 1893-94 has now been exhausted, and the Government of India are obliged, with effect from the year 1896-97, to have recourse to the usual rupee loan for Public Works. The total estimate of capital expenditure of Government not charged to Revenue amounts to Rx. 6,256,700, including Rx. 1,198,000 on account of the Assam-Bengal Railway, Rx. 112,200 for the East Indian Railway, and Rx. 400,000 for the Tirhoot Railway extension. In addition to this, we have undertaken to advance in 1896-97 Rx. 1,150,000 to the Indian Midland and Bengal-Nagpur Railway Companies, as explained in paragraph 181 below, for expenditure on new extensions through their agency. The total of the Government outlay and advances to Companies above-mentioned amounts to Rx. 7,406,700. This demand we propose to meet by a new rupee loan of Rx. 4,000,000, and by a reduction in the cash balances in India of Rx. 2,444,500. The payments of Council Bills in 1896-97 as entered in the Estimates will be Rx. 28,800,000 including Exchange, or Rx. 3,684,000 less than the corresponding figure in the Budget Estimates of 1895-96.

New Rupee Loan.

178. The Government of India require a minimum cash balance of between eight and nine crores distributed over all the Treasuries in India in November

and December, and the amount of the new Loan has been fixed at Rx. 4,000,000, as it is estimated that that sum will be required in order to prevent the balance on 30th November 1896 falling below the minimum. Although it is the present intention of the Government of India to raise a loan of four crores in 1896–97, full liberty is reserved, as usual, to alter the programme as now announced to any extent that may be considered desirable.

Savings Banks.

179. The following table gives the details of the transactions of Savings Banks during the last few years and the estimated transactions for 1895–96 and 1896–97 :—

Year.	Net additions to deposits, cash.	Interest.	Total addition.
	Rx.	Rx.	Rx.
1887–88	656,300	224,000	880,300
1888–89	685,200	261,800	947,000
1889–90	—362,900	272,200	—90,700
1890–91	250,700	279,700	530,400
1891–92	517,900	306,200	824,100
1892–93	548,900	339,400	888,300
1893–94	179,900	368,000	547,900
1894–95	—84,500	297,000	212,500
1895–96 Budget	102,800	336,700	439,500
1895–96 Revised	266,900	309,900	576,800
1896–97 Budget	422,000	328,800	750,800

As explained in paragraph 244 of the last Financial Statement, the reduction in the Savings Bank rate of interest from 3¾ per cent. to 3½ per cent., which took effect from the 1st of April 1894, checked the increase in the deposits. The check appears to have been temporary only, and the deposits now show a tendency to increase. The figures for deposits, including interest, in the above table, include Rx. 89,300 in the Revised Estimate of 1895–96 and Rx. 94,400 in the Budget Estimate of 1896–97 on account of the deposits of Provident Institutions.

Loans to Municipalities and Agriculturists, &c.

180. The net issues on account of loans in 1895–96 are now expected to be Rx. 297,400, against Rx. 513,400 entered in the Budget Estimate, a reduction of Rx. 216,000. This reduction is made up of an increase in the recoveries of Rx. 54,200 and a decrease in the advances of Rx. 161,800. As usual, the Provincial Governments did not fully utilise their allotments ; the largest lapses occur in the North-Western Provinces and Oudh, Bengal, and Bombay. On the other hand, the Revised Estimate includes an additional allotment of Rx. 37,300 made during the year for expenditure on the Madras Harbour Works. Provision has been made in the Budget Estimate of 1896-97 for net issues on account of loans to the extent of Rx. 406,100. The amount includes a special provision of Rx. 50,000 in Madras for advances to cultivators in connection with the early occupation of waste lands commanded by the Periyar Irrigation Project, and Rx. 40,000 on account of advances in parts of the North-Western Provinces and Oudh affected by the recent scarcity.

Capital of Railway Companies.

181. This head shows the operations of Railway Companies upon their deposit accounts. The net withdrawals in India in 1896-97 will be specially large, as it has been arranged to supply from Government balances Rx. 750,000 to the Bengal-Nagpur Railway for expenditure on the Cuttack-Midnapore-Sini Extension, and Rx. 400,000 to the Indian Midland Railway for expenditure in India on the Saugor-Katni Section of the line. During the course of the year a question has been raised whether some of the Railway Companies should not be allowed to raise a portion of their capital in India by means of rupee debentures

debentures on the guarantee of the Government. On a consideration of all the factors of the problem, and especially in view of the limited amount of capital in India available for investment, it has been decided, for the present, in the interest as well of the Railway Companies as of the Government, that, so long as the conditions of the Indian money market remain as they now are, all money which it is decided to raise in rupees in India for railway construction, with the exception of small loans for feeder lines, shall be raised by the Government, whether the construction of the railways is undertaken by the State or by Companies. It is in accordance with this decision that provision has been made for the advances by the Government of the amounts mentioned above.

Supply of Funds to the East Indian Railway.

182. The capital expenditure on the East Indian Railway has hitherto been met out of the ordinary allotment for State outlay on Railway Construction. The total amount of this allotment is fixed from year to year in accordance with the recommendations of the Railway Committee of 1884, and in distributing the amount at their disposal the Government are necessarily obliged to consider the urgency of the various demands made upon their limited resources. It has not therefore been found practicable to allot in recent years, for expenditure on the East Indian Railway and its extensions, the full amounts that have been considered requisite for the proper development of the undertaking. To meet this difficulty application was made to Parliament for the necessary authority, and, under an Act of Parliament of 1895, power has been obtained by the Company to raise, with the previous sanction of the Secretary of State, funds required for the improvement and extension of the East Indian Railway by the issues of debentures or debenture stock on such conditions as may be approved by him. In exercise of this power, the Company raised 150,000*l.* in 1895–96 by means of debentures bearing interest at $2\frac{1}{2}$ per cent., and provision has been made in the Budget Estimate for the raising of 400,000*l.* in 1896–97. In addition to expenditure out of capital raised under the newly conferred power, the Estimates provide for Expenditure on the line by the Government of Rx. 112,200 in 1896–97.

Section VII.—SUMMARY.

183. The principal features in this Statement are:—

(1.) The Accounts of 1894–95 have closed with a surplus of Rx. 693,110, after providing for the expenditure of Rx. 556,867 involved in raising the Famine Grant to Rx. 1,000,000.

(2.) The Revised Estimates of 1895–96 show a surplus of Rx. 951,400, being an increase of Rx. 905,200 over the surplus entered in the Budget Estimate of the year. The partial restoration of the Famine Grant to the same extent as in 1894–95 has added Rx. 534,800 to the expenditure. The Chitral Expedition is expected to cost this year Rx. 1,647,500, while the Budget Estimate made a provision of only Rx. 150,000 for preparations. The contributions, aggregating Rx. 405,000, which were taken from Provincial Governments in 1894–95 have been refunded. The rise in the rate of exchange from 13·09*d.* to 13·68*d.* the rupee secures a saving of Rx. 1,228,900 in the Exchange on sterling payments. The Opium Revenue has been higher than the Budget Estimate by Rx. 196,500, and the Opium Expenditure in India less by Rx. 676,600. The Revenues generally have improved, and the Expenditure, other than that above mentioned, has been kept well below the Budget Estimate.

(3.) The Budget Estimates for 1896–97 show a surplus of Rx. 463,100.

(4.) The Cotton Duties have been reduced from 5 to $3\frac{1}{2}$ per cent., involving a loss of Revenue of about Rx. 500,000. The Famine Grant is continued at the amount of Rx. 1,000,000, involving an additional charge of Rx. 473,500. An expenditure of about Rx. 500,000 on measures of preparation for mobilisation has been sanctioned. There is a moderate increase in ordinary Expenditure.

 (5.) In

(5) In other respects the Revenues generally show a large improvement as compared with the Budget Estimates of last year. And the rise in the rate of exchange from 13·09*d.* to 13·75*d.* the rupee secures the large saving of Rx. 1,382,800 in the direct charge for Exchange. The rise in exchange also effects considerable savings in the pay of the British Troops and in Exchange Compensation Allowances.

(6.) The expenditure on Railway Capital Account, including East Indian and Assam-Bengal, will be Rx. 5,378,300 in 1895–96 and Rx. 7,270,000 in 1896–97. These amounts are in addition to advances of Rx. 103,600 and Rx. 1,150,000 for expenditure on Railway Construction by the Bengal-Nagpur and Indian Midland Railway Companies, and to the expenditure, from their own funds, of Companies guaranteed or assisted by the Government.

(7.) It is expected that the Secretary of State will sell Council Bills for 18,300,000*l.* in 1895–96 and for 16,500,000*l.* in 1896–97. He intends to borrow in 1896–97 2,400,000*l.* by the issue of India Stock to discharge certain debentures falling due, and 2,000,000*l.* by the issue of India Bills to replace India Bills of that amount falling due in May. These announcements are accompanied by the usual reservation of entire liberty to the Secretary of State to vary the amounts to be obtained by bills or raised by loans, as he may find occasion.

(8.) It is intended to issue a rupee loan of four crores in 1896–97. Full liberty is however reserved to the Government of India to vary this intention in any way and to any extent which may be found expedient.

(9.) The position generally is much more hopeful than it was last year.

Calcutta, 19 March 1896. *J. Westland.*

APPENDIX I.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1894-95.
REVISED ESTIMATES - - -	1895-96.
BUDGET ESTIMATES - - -	1896-97.

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GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Details *vide* Statement	RECEIPTS. Accounts, 1894–95.	Budget Estimate, 1895–96.	Revised Estimate, 1895–96.	Budget Estimate, 1896–97.
REVENUE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	A.	25,408,272	26,369,600	26,192,500	26,093,300
Opium	–	7,323,757	6,860,600	7,057,100	6,895,300
Salt	–	8,665,749	8,694,300	8,795,000	8,700,000
Stamps	–	4,625,680	4,648,200	4,729,000	4,732,700
Excise	–	5,527,676	5,534,300	5,717,700	5,744,700
Customs	–	3,854,955	4,814,700	4,890,200	4,481,900
Other Heads	–	8,179,032	8,307,300	8,451,200	8,566,300
TOTAL PRINCIPAL HEADS	–	63,585,121	65,229,000	65,832,700	65,214,200
Interest	A.	815,062	805,100	820,800	848,300
Post Office, Telegraph, and Mint	„	2,645,618	2,781,000	2,820,800	2,914,300
Receipts by Civil Departments	„	1,628,960	1,630,200	1,677,000	1,657,800
Miscellaneous	„	1,227,019	953,900	1,077,800	975,900
Railways	„	21,244,160	21,536,800	21,674,300	21,583,200
Irrigation	„	2,338,815	2,484,300	2,325,100	2,883,300
Buildings and Roads	„	692,477	652,400	698,700	664,600
Receipts by Military Department	„	1,010,197	851,600	950,700	879,100
TOTAL REVENUE – *Rx.*	–	95,187,429	96,924,300	97,877,900	97,620,700
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net Incurred)	C.	4,822,662	—	—	3,811,300
Unfunded Debt (net Incurred) – *Rx.*	„	212,792	522,300	653,500	831,100
Deposits and Advances (net)	„	622,631	—	—	—
Loans and Advances by Imperial Government (net Receipts) – *Rx.*	„	96,682	—	—	57,900
Remittances (net)	„	—	—	683,000	—
Secretary of State's Bills drawn	„	16,905,102	17,000,000	18,300,000	16,500,000
TOTAL RECEIPTS	–	117,847,298	114,446,600	117,514,400	118,821,000
Balance on 1st April—India – *Rx.*	–	25,565,588	22,679,488	22,529,488	16,500,488
England – £.	–	1,300,564	2,446,164	2,503,124	3,794,724
GRAND TOTAL	–	144,713,450	139,572,252	142,547,012	139,116,212

Fort William, Finance and Commerce Department,
19 March 1896.

W. H. Dobbie,
Officiating Deputy Comptroller General.

REVENUE and EXPENDITURE and RECEIPTS and DISBURSEMENTS of the in INDIA and in ENGLAND.

	For Details *vide* Statement	DISBURSEMENTS. Accounts, 1894-95.	Budget Estimate, 1895-96.	Revised Estimate, 1895-96.	Budget Estimate, 1896-97.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	9,722,041	11,280,500	10,377,800	11,156,900
Interest	,,	5,124,017	4,115,500	3,942,400	3,676,700
Post Office, Telegraph, and Mint	,,	2,466,175	2,657,500	2,587,700	2,733,500
Salaries and Expenses of Civil Departments	,,	14,835,209	15,379,500	15,148,700	15,399,500
Miscellaneous Civil Charges	,,	6,065,705	6,103,700	5,964,900	6,030,300
Famine Relief and Insurance	,,	610,285	55,000	585,500	598,500
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	,,	19,609	9,400	9,700	14,500
Railway Revenue Account	,,	23,592,649	23,685,000	23,458,000	23,857,500
Irrigation	,,	2,952,780	3,050,500	3,014,300	3,203,600
Buildings and Roads	,,	5,352,801	5,817,000	5,760,100	6,140,600
Army Services	,,	24,096,091	25,193,100	25,583,900	25,174,900
Special Defence Works	,,	217,867	154,700	110,500	57,500
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	95,055,179	97,501,400	96,543,500	98,044,000
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B.	193,912	—	533,100	1,200
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances	,,	*754,772*	*623,300*	*150,100*	*887,600*
TOTAL EXPENDITURE charged against REVENUE *Rx.*	–	94,494,319	96,878,100	96,926,500	97,157,600
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works *Rx.*	End of B.	4,446,231	4,400,000	4,327,200	6,256,700
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net Discharged)	C.	—	890,100	592,700	—
Temporary Debt (net Discharged) £.	,,	4,000,000	—	—	—
Deposits and Advances (net)	,,	—	823,200	1,087,200	44,100
Loans and Advances by Imperial Government (net Advances) *Rx.*	,,	—	49,900	28,800	—
Loans and Advances by Provincial Governments (net Advances) *Rx.*	,,	271,221	463,500	268,600	464,000
Capital of Railway Companies (net Payments)	,,	650,012	619,000	277,100	2,154,500
Remittances (net)	,,	48,521	2,500	—	16,100
Secretary of State's Bills paid	,,	15,770,534	17,706,800	18,743,700	16,503,400
TOTAL DISBURSEMENTS	–	119,680,838	121,833,100	122,251,800	122,596,400
Balance on 31st March—India *Rx.*	–	22,529,488	16,062,688	16,500,488	14,055,988
England	–	2,503,124	1,676,464	3,794,724	2,463,824
GRAND TOTAL	–	144,713,450	139,572,252	142,547,012	139,116,212
		Rx.	*Rx.*	*Rx.*	*Rx.*
Revenue		95,187,429	96,924,300	97,877,900	97,620,700
Expenditure chargeable thereon		94,494,319	96,878,100	96,926,500	97,157,600
Surplus		693,110	46,200	951,400	463,100

A. F. Cox,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1894-95. India. Imperial.	India. Provincial and Local.	England.	Exchange,* 13·1005*d.*	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	16,576,796	8,831,476	-	-	25,408,272	16,242,800	9,949,700
II.—Opium	7,323,757	-	-	-	7,323,757	7,057,100	-
III.—Salt	8,630,126	35,623	-	-	8,665,749	8,757,100	37,900
IV.—Stamps	1,223,817	3,401,863	-	-	4,625,680	1,250,200	3,478,800
V.—Excise	4,186,525	1,341,151	-	-	5,527,676	4,332,200	1,385,500
VI.—Provincial Rates	3,905	3,537,249	-	-	3,541,154	4,100	3,695,400
VII.—Customs	3,830,831	24,124	-	-	3,854,955	4,861,100	29,100
VIII.—Assessed Taxes	1,034,588	773,472	-	-	1,808,060	1,047,800	790,900
IX.—Forest	939,131	692,417	-	-	1,631,548	975,500	711,000
X.—Registration	210,449	207,751	-	-	418,200	214,300	211,500
XI.—Tributes from Native States	780,070	-	-	-	780,070	800,700	-
Total	44,739,995	18,845,126	-	-	63,585,121	45,542,900	20,289,800
XII.—INTEREST	661,875	146,246	3,789	3,152	815,062	634,700	163,300
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,623,409	8,406	-	-	1,631,815	1,694,300	9,300
XIV.—Telegraph	970,611	-	4,414	3,672	978,697	1,076,800	-
XV.—Mint	35,067	-	21	18	35,106	30,400	-
Total	2,629,087	8,406	4,435	3,690	2,645,618	2,801,500	9,300
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice—Courts	19,935	350,547	-	-	370,482	21,000	359,100
XVI.—Law and Justice—Jails	36,539	272,339	-	-	308,878	40,300	277,900
XVII.—Police	16,575	389,647	-	-	406,222	17,100	395,000
XVIII.—Marine	26,189	128,694	-	-	154,883	16,300	144,900
XIX.—Education	1,860	212,174	-	-	214,034	2,100	218,300
XX.—Medical	218	77,843	1,878	1,563	81,502	400	80,500
XXI.—Scientific and other Minor Departments.	10,028	82,246	374	311	92,959	11,000	89,600
Total	111,344	1,513,490	2,252	1,874	1,628,960	108,200	1,565,300
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	162,431	47,524	94,108	78,296	382,359	155,800	45,500
XXIII.—Stationery and Printing	33,003	52,209	-	-	85,212	33,300	54,900
XXIV.—Exchange	227,675	-	-	-	227,675	186,400	-
XXV.—Miscellaneous	189,265	333,793	4,757	3,958	531,773	101,200	325,800
Total	612,374	433,526	98,865	82,254	1,227,019	476,700	426,200
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	17,077,301	1,074,433	230	191	18,152,155	17,252,500	1,122,200
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,050,311	-	-	-	3,050,311	3,270,000	-
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	41,694	-	-	-	41,694	29,200	-
Total	20,169,306	1,074,433	230	191	21,244,160	20,551,700	1,122,200
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	654,814	715,773	-	-	1,370,587	757,300	507,900
Portion of Land Revenue due to Irrigation.	776,139	-	-	-	776,139	856,100	-
XXX.—Minor Works and Navigation	40,828	151,261	-	-	192,089	49,100	154,700
Total	1,471,781	867,034	-	-	2,338,815	1,662,500	662,600
BUILDINGS AND ROADS:							
XXXI.—Military Works	59,654	-	-	-	59,654	50,000	-
XXXII.—Civil Works	13,939	572,458	25,342	21,084	632,823	18,900	586,800
Total	73,593	572,458	25,342	21,084	692,477	68,900	586,800
RECEIPTS BY MILITARY DEPARTMENT:							
XXXIII.—Army: Effective	799,110	-	58,556	48,718	906,384	739,700	-
Non-effective	85,647	-	9,916	8,250	103,813	96,700	-
Total	884,757	-	68,472	56,968	1,010,197	836,400	-
TOTAL REVENUES	71,354,112	23,460,719	203,385	169,213	95,187,429	72,683,500	24,825,500

*The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, Exchange thereon calculated in accordance with the average rate obtained, or estimated to be obtained, for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1895-96.			Increase + Decrease — of Revised as compared with Budget Estimates, 1895–96. (Excluding Exchange.)	BUDGET ESTIMATE, 1896–97.					Increase + Decrease — of Budget, 1896–97, as compared with Budget Estimates, 1895–96. (Excluding Exchange.)	Increase + Decrease — of Budget, 1896–97, as compared with Revised Estimates, 1895–96. (Excluding Exchange.)
England.	Exchange,* 13·68*d*. (£. 1 = *Rs.* 17·54.)	TOTAL.		India. Imperial.	India. Provincial and Local.	England.	Exchange,* 13·75*d*.	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	26,192,500	— 177,100	16,627,100	9,466,200	- -	- -	26,093,300	— 276,300	— 99,200
- -	- -	7,057,100	+ 196,500	6,895,300	- -	- -	- -	6,895,300	+ 34,700	— 161,800
- -	- -	8,795,000	+ 100,700	8,660,000	40,000	- -	- -	8,700,000	+ 5,700	— 95,000
- -	- -	4,729,000	+ 80,800	1,252,700	3,480,000	- -	- -	4,732,700	+ 84,500	+ 3,700
- -	- -	5,717,700	+ 183,400	4,351,600	1,393,100	- -	- -	5,744,700	+ 210,400	+ 27,000
- -	- -	3,699,500	+ 45,500	4,200	3,665,600	- -	- -	3,669,800	+ 15,800	— 29,700
- -	- -	4,890,200	+ 75,500	4,454,000	27,900	- -	- -	4,481,900	— 332,800	— 408,300
- -	- -	1,838,700	+ 39,500	1,048,200	795,000	- -	- -	1,843,200	+ 44,000	+ 4,500
- -	- -	1,686,500	+ 44,300	1,008,800	723,500	- -	- -	1,732,300	+ 90,100	+ 45,800
- -	- -	425,800	+ 3,400	215,800	213,000	- -	- -	428,800	+ 6,400	+ 3,000
- -	- -	800,700	+ 11,200	892,200	- -	- -	- -	892,200	+ 102,700	+ 91,500
- -	- -	65,832,700	+ 603,700	45,409,900	19,804,300	- -	- -	65,214,200	— 14,800	— 618,500
13,000	9,800	820,800	+ 10,100	672,600	167,000	5,000	3,700	848,300	+ 43,700	+ 33,600
- -	- -	1,703,600	+ 16,100	1,761,900	8,800	- -	- -	1,770,700	+ 83,200	+ 67,100
5,700	4,300	1,086,800	+ 50,900	1,097,500	- -	5,100	3,800	1,106,400	+ 71,000	+ 20,100
- -	- -	30,400	— 27,300	37,200	- -	- -	- -	37,200	— 20,500	+ 6,800
5,700	4,300	2,820,800	+ 39,700	2,896,600	8,800	5,100	3,800	2,914,300	+ 133,700	+ 94,000
- -	- -	380,100	+ 8,900	21,200	360,800	- -	- -	382,000	+ 10,800	+ 1,900
- -	- -	318,200	+ 1,600	40,500	274,200	- -	- -	314,700	— 1,900	— 3,500
- -	- -	412,100	— 1,600	16,400	396,300	- -	- -	412,700	— 1,000	+ 600
- -	- -	161,200	+ 18,900	15,500	128,100	- -	- -	143,600	+ 1,300	— 17,600
- -	- -	220,400	+ 5,200	2,100	220,900	- -	- -	223,000	+ 7,800	+ 2,600
1,700	1,300	83,900	+ 5,200	300	78,800	1,600	1,200	81,900	+ 3,300	— 1,900
300	200	101,100	+ 8,700	9,900	89,500	300	200	99,900	+ 7,500	— 1,200
2,000	1,500	1,677,000	+ 46,900	105,900	1,548,600	1,900	1,400	1,657,800	+ 27,800	— 19,100
96,500	72,800	370,600	+ 4,600	152,200	47,300	90,900	67,800	358,200	— 2,800	— 7,400
- -	- -	88,200	+ 3,600	31,700	58,200	- -	- -	89,900	+ 5,300	+ 1,700
- -	- -	186,400	+ 98,000	120,000	- -	- -	- -	120,000	+ 31,600	— 66,400
3,200	2,400	432,600	+ 22,500	89,200	314,200	2,500	1,900	407,800	— 1,800	— 24,300
99,700	75,200	1,077,800	+ 128,700	393,100	419,700	93,400	69,700	975,900	+ 32,300	— 96,400
200	200	18,375,100	+ 373,200	17,226,900	1,094,800	200	200	18,322,100	+ 320,200	— 53,000
- -	- -	3,270,000	— 225,000	3,233,000	- -	- -	- -	3,233,000	— 262,000	— 37,000
- -	- -	29,200	— 10,700	28,100	- -	- -	- -	28,100	— 11,800	— 1,100
200	200	21,674,300	+ 137,500	20,488,000	1,094,800	200	200	21,583,200	+ 46,400	— 91,100
- -	- -	1,265,200	— 85,100	973,700	770,000	- -	- -	1,743,700	+ 393,400	+ 478,500
- -	- -	856,100	— 73,600	929,900	- -	- -	- -	929,900	+ 200	+ 73,800
- -	- -	203,800	— 500	48,500	161,200	- -	- -	209,700	+ 5,400	+ 5,900
- -	- -	2,325,100	— 159,200	1,952,100	931,200	- -	- -	2,883,300	+ 399,000	+ 558,200
- -	- -	50,000	+ 4,200	50,000	- -	- -	- -	50,000	+ 4,200	- -
24,500	18,500	648,700	+ 45,400	15,300	555,300	25,200	18,800	614,600	+ 11,000	— 34,400
24,500	18,500	698,700	+ 49,600	65,300	555,300	25,200	18,800	664,600	+ 15,200	— 34,400
55,200	41,600	836,500	+ 67,200	708,900	- -	32,800	24,400	766,100	+ 14,000	— 53,200
10,000	7,500	114,200	+ 13,300	94,700	- -	10,500	7,800	113,000	+ 11,800	— 1,500
65,200	49,100	950,700	+ 80,500	803,600	- -	43,300	32,200	879,100	+ 25,800	— 54,700
210,300	158,600	97,877,900	+ 937,500	72,787,100	24,529,700	174,100	129,800	97,620,700	+ 709,100	— 228,400
Add,—Increase on account of Exchange - - - *Rx.*			+ 16,100	*Deduct*,—Decrease on account of Exchange - - - - *Rx.*					— 12,700	— 28,800
TOTAL, INCLUDING EXCHANGE - *Rx.*			+ 953,600	TOTAL, INCLUDING EXCHANGE - *Rx.*					+ 696,400	— 257,200

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1894–95. India. Imperial.	India. Provincial and Local.	England.	Exchange,* 13·1005*d.*	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	201,986	78,569	-	-	280,555	221,700	74,400
2.—Assignments and Compensations	494,105	1,012,245	-	-	1,506,350	520,800	1,035,000
Charges in respect of Collection, viz.:							
3.—Land Revenue	390,474	3,657,024	346	288	4,048,132	398,900	3,688,100
4.—Opium (including Cost of Production)	1,613,505	-	1,419	1,181	1,616,105	2,077,300	-
5.—Salt (including Cost of Production)	434,969	62,847	327	272	498,415	450,600	69,500
6.—Stamps	*—36,986*	130,197	45,103	37,525	175,839	*—37,300*	132,100
7.—Excise	146,036	46,773	-	-	192,809	156,800	50,100
8.—Provincial Rates	-	56,438	-	-	56,438	-	55,200
9.—Customs	69,065	105,420	34	28	174,547	76,000	124,800
10.—Assessed Taxes	14,947	14,824	-	-	29,771	15,000	14,900
11.—Forest	505,346	406,819	701	583	913,449	520,100	418,400
12.—Registration	115,297	114,334	-	-	229,631	116,500	115,600
Total	3,948,744	5,685,490	47,930	39,877	9,722,041	4,516,400	5,778,100
INTEREST:							
13.—Interest on Debt † other than that charged to Railways and Irrigation Works.	*—256,305*	118,867	2,611,921	2,173,077	4,647,557	*—1,281,100*	129,700
14.—Interest on other Obligations	472,106	4,167	102	85	476,460	489,800	3,400
Total	215,798	123,034	2,612,023	2,173,162	5,124,017	*—791,300*	133,100
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,295,330	120,813	103,788	86,350	1,606,281	1,327,600	120,700
16.—Telegraph	644,414	-	89,266	74,268	807,948	724,800	-
17.—Mint	50,640	-	713	593	51,946	50,300	-
Total	1,990,384	120,813	193,767	161,211	2,466,175	2,102,700	120,700
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	677,887	908,329	273,303	227,384	2,086,903	671,400	915,400
19.—Law and Justice { Courts	112,031	2,955,844	1,474	1,226	3,070,575	112,900	2,973,500
19.—Law and Justice { Jails	155,859	749,281	-	-	905,140	150,100	791,900
20.—Police	665,703	3,321,743	850	707	3,989,003	643,400	3,304,800
21.—Marine (including River Navigation)	191,976	141,361	185,212	154,093	672,642	199,900	141,300
22.—Education	27,722	1,480,650	1,556	1,295	1,511,223	31,100	1,505,600
23.—Ecclesiastical	185,429	-	50	42	185,521	191,500	-
24.—Medical	40,175	963,263	6,437	5,355	1,015,230	40,800	979,800
25.—Political	790,342	67,737	21,564	17,941	897,584	901,700	68,000
26.—Scientific and other Minor Departments	247,004	175,154	43,248	35,982	501,388	274,500	186,000
Total	3,094,128	10,763,362	533,694	444,025	14,835,209	3,217,300	10,926,300
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	458,423	-	6,907	5,747	471,077	442,700	-
28.—Civil Furlough and Absentee Allowances	1,271	-	220,651	183,578	405,500	1,100	-
29.—Superannuation Allowances and Pensions	85,832	859,033	1,788,908	1,488,343	4,222,116	86,900	881,800
30.—Stationery and Printing	127,786	478,486	48,536	40,381	695,189	152,700	478,400
32.—Miscellaneous	43,133	155,456	39,975	33,259	271,823	30,500	165,300
Total	716,445	1,492,975	2,104,977	1,751,308	6,065,705	713,900	1,525,500
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	-	10,258	-	-	10,258	-	10,500
34.—Construction of Protective Railways	556,867	-	-	-	556,867	534,800	-
35.—Construction of Protective Irrigation Works	42,793	-	173	144	43,110	40,200	-
Total ‡	599,660	10,258	173	144	610,235	575,000	10,500
Carried forward	10,565,159	18,195,932	5,492,564	4,569,727	38,823,382	10,334,000	18,494,200

* *See* foot-note to Statement A.

† The "Interest on Debt" is distributed as follows:—

	ACCOUNTS, 1894–95. India.	England.	Exchange.	TOTAL.
	Rx.	£.	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	*—137,441*	2,611,921	2,173,077	4,647,557
Under Railway Revenue Account	3,517,197	1,202,096	1,000,125	5,719,418
Under Irrigation	1,194,115	-	-	1,194,115
TOTAL	4,573,871	3,814,017	3,173,202	11,561,090

‡ The following further sums, which are included under XXVI. and 38, State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the revenues on account of protective railways constructed through the agency of companies:—

	Accounts, 1894-95.	Revised Estimate, 1895-96.	Budget Estimate, 1896-97.
	Rx.	*Rx.*	*Rx.*
Indian Midland Railway	236,653	259,900	246,300
Bengal-Nagpur Railway	153,112	154,600	155,200
TOTAL	389,765	414,500	401,500

Revenues of India, in India and in England.

ESTIMATE, 1895-96.			Increase + Decrease — of Revised as compared with Budget Estimates, 1895-96. (Excluding Exchange.)	BUDGET ESTIMATE, 1896-97.					Increase + Decrease — of Budget, 1896-97, as compared with Budget Estimates, 1895-96. (Excluding Exchange.)	Increase + Decrease — of Budget, 1896-97, as compared with Revised Estimates, 1895-96. (Excluding Exchange.)
				India.						
England.	Exchange,* 13·68*d.* (£. 1 = *Rs.* 17·54.)	Total.		Imperial.	Provincial and Local.	England.	Exchange,* 13·75*d.*	Total.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	296,100	— 28,600	226,800	72,000	- -	- -	298,800	— 25,900	+ 2,700
- -	- -	1,555,800	+ 16,500	505,800	1,030,400	- -	- -	1,536,200	— 3,100	— 19,600
100	100	4,087,200	— 101,700	416,100	3,759,200	300	200	4,175,800	— 13,200	+ 88,500
600	400	2,078,300	— 676,700	2,593,900	- -	800	600	2,595,300	— 159,900	+ 516,800
200	200	520,500	— 13,500	485,300	81,200	200	200	566,900	+ 32,900	+ 46,400
45,000	33,900	173,700	— 11,000	— 38,600	135,200	46,000	34,300	176,900	— 8,200	+ 2,800
100	100	207,100	— 3,000	167,800	53,700	- -	- -	221,500	+ 11,500	+ 14,500
- -	- -	55,200	— 700	- -	56,600	- -	- -	56,600	+ 700	+ 1,400
100	100	201,000	— 2,300	79,100	128,200	- -	- -	207,300	— 2,900	+ 6,400
- -	- -	29,900	— 1,900	15,700	15,700	- -	- -	31,400	— 400	+ 1,500
1,400	1,000	940,900	— 54,600	582,600	453,500	5,600	4,100	1,045,800	+ 47,200	+ 101,800
- -	- -	232,100	— 5,700	122,700	121,700	- -	- -	244,400	+ 6,600	+ 12,300
47,500	35,800	10,377,800	— 890,200	5,157,200	5,907,400	52,900	39,400	11,156,900	— 114,700	+ 775,500
2,622,700	1,977,500	3,448,800	+ 89,600	—1,618,300	144,300	2,656,400	1,980,200	3,162,600	— 199,300	— 288,900
200	200	493,600	— 25,100	510,000	3,700	200	200	514,100	— 4,600	+ 20,500
2,622,900	1,977,700	3,942,400	+ 64,500	—1,108,300	148,000	2,656,600	1,980,400	3,676,700	— 203,900	— 268,400
104,600	78,900	1,631,800	— 24,500	1,370,300	126,500	112,200	83,600	1,692,600	+ 31,600	+ 56,100
102,600	77,300	904,700	— 22,600	775,600	- -	121,700	90,700	988,000	+ 47,300	+ 69,900
500	400	51,200	— 2,400	52,000	- -	500	400	52,900	— 700	+ 1,700
207,700	156,600	2,587,700	— 49,500	2,197,900	126,500	234,400	174,700	2,733,500	+ 78,200	+ 127,700
245,900	185,400	2,018,100	+ 9,900	667,300	908,500	251,600	187,500	2,014,900	+ 4,600	— 5,300
1,600	1,200	3,089,200	— 38,900	114,800	2,996,000	900	700	3,112,400	— 15,200	+ 23,700
- -	- -	942,000	— 15,700	161,500	810,800	- -	- -	972,300	+ 14,600	+ 30,300
900	700	4,009,800	— 87,600	653,700	3,459,300	500	400	4,113,900	+ 16,800	+ 104,400
236,900	178,600	756,700	— 13,200	210,300	167,100	210,900	157,200	745,500	— 3,000	+ 10,200
1,300	1,000	1,539,000	— 48,000	33,800	1,612,000	1,300	1,000	1,648,100	+ 61,100	+ 109,100
200	200	191,900	— 3,400	195,000	- -	400	300	195,700	+ 300	+ 3,700
6,200	4,700	1,031,500	— 12,400	43,400	1,019,700	6,200	4,600	1,073,900	+ 30,100	+ 42,500
50,200	37,800	1,057,700	+ 5,600	872,700	70,000	21,700	16,200	980,600	— 49,900	— 55,500
29,800	22,500	512,800	+ 4,500	292,600	194,800	31,400	23,400	542,200	+ 33,000	+ 28,500
573,000	432,100	15,148,700	— 199,200	3,245,100	11,238,200	524,900	391,300	15,399,500	+ 92,400	+ 291,600
9,500	7,200	459,400	— 14,400	439,100	- -	9,400	7,000	455,500	— 18,100	— 3,700
224,000	168,900	394,000	+ 6,100	1,100	- -	226,000	168,500	395,600	+ 8,100	+ 2,000
1,825,300	1,376,300	4,170,300	+ 18,900	87,900	910,000	1,846,500	1,376,500	4,220,900	+ 69,300	+ 50,400
46,200	34,800	712,100	+ 14,700	139,900	495,000	46,200	34,400	715,500	+ 18,500	+ 3,800
19,000	14,300	229,100	— 12,900	27,500	173,400	24,000	17,900	242,800	— 2,800	+ 10,100
2,124,000	1,601,500	5,964,900	+ 12,400	695,500	1,578,400	2,152,100	1,604,300	6,030,300	+ 75,000	+ 62,600
- -	- -	10,500	+ 5,500	- -	75,000	- -	- -	75,000	+ 70,000	+ 64,500
- -	- -	534,800	+ 534,800	473,500	- -	- -	- -	473,500	+ 473,500	— 61,300
- -	- -	40,200	— 9,800	50,000	- -	- -	- -	50,000	- -	+ 9,800
- -	- -	585,500	+ 530,500	523,500	75,000	- -	- -	598,500	+ 543,500	+ 13,000
5,575,100	4,203,700	38,607,000	— 531,500	10,710,900	19,073,500	5,620,900	4,190,100	39,595,400	+ 470,500	+ 1,002,000

REVISED ESTIMATE, 1895-96.				BUDGET ESTIMATE, 1895-96.			
India.	England.	Exchange.	Total.	India.	England.	Exchange.	Total.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
— 1,151,400	2,622,700	1,977,500	3,448,800	— 1,474,000	2,656,400	1,980,200	3,162,600
3,691,800	1,198,900	904,000	5,794,700	3,926,900	1,194,800	890,700	6,012,400
1,222,600	- -	- -	1,222,600	1,254,100	- -	- -	1,254,100
3,763,000	3,821,600	2,881,500	10,466,100	3,707,000	3,851,200	2,870,900	10,429,100

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1895-96.			Increase + Decrease — of Revised as compared with Budget Estimates, 1895-96. (Excluding Exchange.)	BUDGET ESTIMATE, 1896-97.					Increase + Decrease — of Budget, 1896-97, as compared with Budget Estimates 1895-96. (Excluding Exchange.)	Increase + Decrease — of Budget, 1896-97, as compared with Revised Estimates, 1895-96. (Excluding Exchange.)
England.	Exchange,* 13·68*d.* (£.1 = *Rx.* 17·54.)	TOTAL.		India. Imperial.	India. Provincial and Local.	England.	Exchange,* 13·75*d.*	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
5,575,100	4,203,700	38,607,000	— 531,500	10,710,900	19,073,500	5,620,900	4,190,100	39,595,400	+ 470,500	+1,002,000
- -	- -	9,700	+ 300	- -	14,500	- -	- -	14,500	+ 5,100	+ 4,800
- -	- -	9,033,700	+ 336,700	8,625,400	385,400	- -	- -	9,010,800	+ 313,800	— 22,900
980,000	738,900	5,387,800	+ 900	3,655,000	216,100	975,900	727,500	5,574,500	+ 199,000	+ 198,100
1,705,400	1,285,900	2,991,300	— 500	- -	- -	1,709,000	1,274,000	2,983,000	+ 3,100	+ 3,600
218,900	165,100	387,500	+ 3,500	36,400	- -	218,900	163,200	418,500	+ 36,400	+ 32,900
682,000	514,200	1,230,200	+ 1,100	35,600	- -	708,200	527,900	1,271,700	+ 28,900	+ 27,800
- -	- -	532,300	— 85,700	625,500	- -	- -	- -	625,500	+ 7,500	+ 93,200
2,161,600	1,629,800	3,794,600	+ 1,300	6,900	- -	2,160,700	1,610,700	3,778,300	+ 4,100	+ 2,800
- -	- -	25,500	— 4,600	98,100	10,100	- -	- -	108,200	+ 78,100	+ 82,700
- -	- -	75,100	— 24,900	87,000	- -	- -	- -	87,000	— 13,000	+ 11,900
5,747,900	4,333,900	23,458,000	+ 227,800	13,169,900	611,600	5,772,700	4,303,300	23,857,500	+ 657,900	+ 430,100
- -	- -	791,400	— 21,800	450,000	370,700	- -	- -	820,700	+ 7,500	+ 29,300
- -	- -	1,222,600	+ 200	703,200	550,900	- -	- -	1,254,100	+ 31,700	+ 31,500
1,800	1,400	1,000,300	— 15,500	388,900	738,000	1,100	800	1,128,800	+ 113,600	+ 129,100
1,800	1,400	3,014,300	— 37,100	1,542,100	1,659,600	1,100	800	3,203,600	+ 152,800	+ 189,900
32,000	24,100	1,152,800	— 24,300	1,205,800	- -	15,800	11,800	1,233,400	+ 68,600	+ 92,900
88,500	66,700	4,607,300	— 41,300	700,900	4,056,900	85,600	63,800	4,907,200	+ 261,500	+ 302,800
120,500	90,800	5,760,100	— 65,600	1,906,700	4,056,000	101,400	75,600	6,140,600	+ 330,100	+ 395,700
1,889,000	1,424,300	20,608,900	+ 940,600	16,560,600	- -	2,042,300	1,522,400	20,125,300	+ 358,900	— 581,700
2,316,100	1,746,300	4,975,000	— 28,300	919,500	- -	2,366,200	1,763,900	5,049,600	+ 28,700	+ 57,000
4,205,100	3,170,600	25,583,900	+ 912,300	17,480,100	- -	4,408,500	3,286,300	25,174,900	+ 387,600	— 524,700
50,600	38,200	110,500	— 43,900	49,100	- -	4,800	3,600	57,500	— 62,300	— 18,400
15,701,000	11,838,600	96,543,500	+ 462,300	44,858,800	25,416,100	15,909,400	11,859,700	98,044,000	+1,941,700	+1,479,400
- -	- -	533,100	+1,006,300	- -	1,200	- -	- -	1,200	— 263,100	—1,269,400
- -	- -	*150,100*		- -	*887,600*	- -	- -	*887,600*		
15,701,000	11,838,600	96,926,500	+1,468,600	44,858,800	24,529,700	15,909,400	11,859,700	97,157,600	+1,678,600	+ 210,000
Deduct,—Decrease on account of Exchange - - - *Rx.*			—1,420,200	*Add*,—Increase (+) or *Deduct*,—Decrease (—) on account of Exchange - - - *Rx.*					—1,399,100	+ 21,100
TOTAL, INCLUDING EXCHANGE - *Rx.*			+ 48,400					TOTAL, INCLUDING EXCHANGE - *Rx.*	+ 279,500	+ 231,100

REVISED ESTIMATE, 1895-96.				BUDGET ESTIMATE, 1896-97.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
2,386,500	704,500	531,200	3,622,200	3,337,100	1,243,000	926,600	5,506,700
698,900	3,500	2,600	705,000	742,900	4,100	3,000	750,000
3,085,400	708,000	533,800	4,327,200	4,080,000	1,247,100	929,600	6,256,700

* *See* foot-note to Statement A.

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1894-95. India. Imperial.	India. Provincial and Local.	England.	Exchange,* 13·1005*d*.	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward	10,565,159	18,195,932	5,492,564	4,569,727	38,823,382	10,334,000	18,494,200
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	19,609	- -	- -	19,609	- -	9,700
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses	8,408,934	382,097	- -	- -	8,791,031	8,657,000	376,700
Interest on Debt	3,282,919	214,863	983,212	818,017	5,299,011	3,453,400	215,500
Annuities in purchase of Railways	- -	- -	1,702,668	1,416,593	3,119,261	- -	- -
Interest chargeable against Companies on Advances.	- -	- -	218,884	182,108	400,992	3,500	- -
Interest on Capital deposited by Companies	34,440	- -	679,520	565,350	1,279,310	34,000	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	632,236	- -	- -	- -	632,236	532,300	- -
Interest	6,352	- -	2,154,714	1,792,688	3,953,754	3,200	- -
40.—Subsidised Companies: Land, &c.	2,605	14,089	- -	- -	16,694	15,300	10,200
41.—Miscellaneous Railway Expenditure	101,104	—744	- -	- -	100,360	75,000	100
Total	12,468,590	610,305	5,738,998	4,774,756	23,592,649	12,773,700	602,500
IRRIGATION:							
42.—Major Works: Working Expenses	424,475	375,284	- -	- -	799,759	447,500	343,900
Interest on Debt	654,024	540,091	- -	- -	1,194,115	677,900	544,700
43.—Minor Works and Navigation	365,744	590,517	1,444	1,201	958,906	382,700	614,400
Total	1,444,243	1,505,892	1,444	1,201	2,952,780	1,508,100	1,503,000
BUILDINGS AND ROADS:							
44.—Military Works	962,203	- -	24,972	20,776	1,007,951	1,096,700	- -
45.—Civil Works	504,475	3,689,841	82,170	68,364	4,344,850	619,000	3,833,100
Total	1,466,678	3,689,841	107,142	89,140	5,352,801	1,715,700	3,833,100
ARMY SERVICES:							
46.—Army: Effective	15,342,550	- -	1,982,628	1,649,515	18,974,693	17,295,600	- -
Non-effective	903,410	- -	2,302,415	1,915,573	5,121,398	912,600	- -
Total	16,245,960	- -	4,285,043	3,565,088	24,096,091	18,208,200	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works	67,322	- -	82,176	68,369	217,867	21,700	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	42,257,952	24,021,579	15,707,367	13,068,281	95,055,179	44,561,400	24,442,500
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year	- -	193,912	- -	- -	193,912	- -	533,100
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	*754,772*	- -	- -	*754,772*	- -	*150,100*
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	42,257,952	23,460,719	15,707,367	13,068,281	94,494,319	44,561,400	24,825,500

	ACCOUNTS, 1894-95. India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay, Railways and Irrigation Works:	*Rx.*	£.	*Rx.*	*Rx.*
48.—State Railways	2,386,845	799,811	665,430	3,852,086
49.—Irrigation Works	585,822	4,543	3,780	594,145
TOTAL	2,972,667	804,354	669,210	4,446,231

* *See* foot-note to Statement A.

C.—STATEMENT of RECEIPTS and DISBURSEMENTS

	ACCOUNTS, 1894-95.			REVISED ESTIMATE, 1895-96.			BUDGET ESTIMATE, 1896-97.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
REVENUE (from Statement A.)	94,814,831	203,385	95,018,216	97,509,000	210,300	97,719,300	97,316,800	174,100	97,490,900
Exchange added to Revenue	169,213	- -	169,213	158,600	- -	158,600	129,800	- -	129,800
Total	94,984,044	203,385	95,187,429	97,667,600	210,300	97,877,900	97,446,600	174,100	97,620,700
PERMANENT DEBT INCURRED :									
Sterling Debt :									
India Stock	- -	6,000,000	- -	- -	- -	- -	- -	2,400,000	—
Rupee Debt :									
Rupee Loan	- -	- -	- -	- -	- -	- -	4,000,000	—	—
Total	- -	6,000,000	6,000,000	- -	- -	- -	4,000,000	2,400,000	6,400,000
Net	- -	- -	4,822,662	- -	- -	0	- -	- -	3,811,300
TEMPORARY DEBT INCURRED :									
Temporary Loans	- -	3,000,000	3,000,000	- -	2,000,000	2,000,000	- -	2,000,000	2,000,000
Net	—	—	0	—	—	0	—	—	0
UNFUNDED DEBT :									
Special Loans	- -	- -	- -	1,100	—	—	—	—	—
Treasury Notes	600	—	—	—	—	—	—	—	—
Deposits of Service Funds	143,933	- -	- -	167,400	- -	- -	148,800	—	—
Savings Bank Deposits	4,143,805	- -	- -	4,404,600	- -	- -	5,299,100	—	—
Total	4,288,338	- -	4,288,338	4,573,100	- -	4,573,100	5,447,900	- -	5,447,900
Net	- -	- -	212,792	- -	- -	653,500	- -	- -	831,100
DEPOSITS AND ADVANCES :									
Balances of Provincial Allotments	193,912	- -	- -	533,100	- -	- -	1,200	—	—
Excluded Local Funds	834,863	- -	- -	799,200	- -	- -	774,700	—	—
Railway Funds	408,583	- -	- -	87,900	- -	- -	71,000	—	—
Deposits of Sinking Funds	11,120	- -	- -	11,800	- -	- -	11,700	—	—
Departmental and Judicial Deposits.	17,675,988	- -	- -	17,828,000	- -	- -	17,437,400	—	—
Advances	3,043,662	7,761	- -	2,811,400	1,100	- -	2,583,900	5,400	—
Suspense Accounts	148,212	- -	- -	12,600	- -	- -	12,900	—	—
Exchange on Remittance Accounts (net).	137,235	- -	- -	- -	- -	- -	635,000	—	—
Miscellaneous	1,004,782	282	- -	- -	- -	- -	3,400	—	—
Total	23,458,357	8,043	23,466,400	22,084,000	1,100	22,085,100	21,531,200	5,400	21,536,600
Net	- -	- -	622,631	- -	- -	0	- -	- -	0
Carried forward	122,730,739	9,211,428	- -	124,324,700	2,211,400	- -	128,425,700	4,579,500	—

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1894-95.			REVISED ESTIMATE, 1895-96.			BUDGET ESTIMATE, 1896-97.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	66,279,531	15,707,367	81,986,898	69,003,900	15,701,000	84,704,900	70,274,900	15,909,400	86,184,300
Exchange, charged as Expenditure	13,068,281	- -	13,068,281	11,838,600	- -	11,838,600	11,859,700	- -	11,859,700
Add,—Provincial Surpluses, transferred to "Deposits."	193,912	- -	193,912	533,100	- -	533,100	1,200	—	1,200
Deduct,—Provincial Deficits, charged against "Deposits."	*754,772*	- -	*754,772*	*150,100*	- -	*150,100*	*887,600*	- -	*887,600*
Total - - -	78,786,952	15,707,367	94,494,319	81,225,500	15,701,000	96,926,500	81,248,200	15,909,400	97,157,600
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	2,972,667	804,354	- -	3,085,400	708,000	- -	4,080,000	1,247,100	—
Exchange on Expenditure not charged to Revenue.	669,210	- -	- -	533,800	- -	- -	929,600	—	—
Total - - -	3,641,877	804,354	4,446,231	3,619,200	708,000	4,327,200	5,009,600	1,247,100	6,256,700
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 4 per Cent. Stock -	- -	5,000	- -	- -	1,600	—	—	—	—
India 3½ per Cent. Debentures	- -	- -	- -	- -	- -	- -	- -	2,000,000	—
South Indian Railway Debentures.	- -	- -	- -	- -	- -	- -	- -	313,700	—
Rupee Debt:									
5½ per Cent. Loans - -	100	—	—	—	—	—	—	—	—
5 per Cent. Loans - -	50	—	—	—	—	—	—	—	—
4½ per Cent. Loans - -	172,790	- -	- -	18,500	- -	- -	5,000	—	—
4 per Cent. Loans - - -	999,355	- -	- -	572,500	- -	- -	270,000	—	—
Stock Notes - - - -	43	- -	- -	100	—	—	—	—	—
Total - - -	1,172,338	5,000	1,177,338	591,100	1,600	592,700	275,000	2,313,700	2,588,700
Net - - -	- -	- -	0	- -	- -	592,700	- -	- -	0
TEMPORARY DEBT DISCHARGED:									
Temporary Loans - -	- -	7,000,000	7,000,000	- -	2,000,000	2,000,000	- -	2,000,000	2,000,000
Net - - -	- -	- -	4,000,000	- -	- -	0	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - -	69,024	- -	- -	200	—	—	—	—	—
Treasury Notes - - -	2,850	—	—	—	—	—	—	—	—
Deposits of Service Funds -	98,477	- -	- -	99,900	- -	- -	101,100	—	—
Savings Bank Deposits - -	3,905,195	- -	- -	3,819,500	- -	- -	4,515,700	—	—
Total - - -	4,075,546	- -	4,075,546	3,919,600	- -	3,919,600	4,616,800	- -	4,616,800
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	754,772	- -	- -	150,100	- -	- -	887,600	—	—
Excluded Local Funds - -	810,511	- -	- -	816,100	- -	- -	788,600	—	—
Railway Funds - - -	509,247	- -	- -	88,900	- -	- -	59,500	—	—
Deposits of Sinking Funds -	- -	- -	- -	500	—	—	—	—	—
Departmental and Judicial Deposits.	17,633,065	- -	- -	17,650,100	- -	- -	17,258,800	—	—
Advances - - - - -	2,975,985	5,522	- -	2,750,300	5,400	- -	2,565,400	500	—
Suspense Accounts - - -	93,424	- -	- -	57,800	- -	- -	20,300	—	—
Exchange on Remittance Account (net).	- -	- -	- -	1,211,400	—	—	—	—	—
Miscellaneous - - - -	61,243	- -	- -	441,700	—	—	—	—	—
Total - - -	22,838,247	5,522	22,843,769	23,166,900	5,400	23,172,300	21,580,200	500	21,580,700
Net - - -	- -	- -	0	- -	- -	1,087,200	- -	- -	44,100
Carried forward - - -	110,514,960	23,522,243	- -	112,522,300	18,416,000	- -	112,729,800	21,470,700	—

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1894-95.			REVISED ESTIMATE, 1895-96.			BUDGET ESTIMATE, 1896-97.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward	122,730,739	9,211,428	—	124,324,700	2,211,400	—	128,425,700	4,579,500	—
Loans and Advances by Imperial Government.	183,725	—	183,725	131,800	—	131,800	111,500	—	111,500
Net	—	—	96,682	—	—	0	—	—	57,900
Loans and Advances by Provincial Governments.	328,542	—	328,542	381,500	—	381,500	328,200	—	328,200
Net	—	—	0	—	—	0	—	—	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	—	364,048	—	430,300	783,300	—	711,100	2,949,000	—
Repayments	1,093,415	3,738	—	1,182,500	11,600	—	1,184,800	3,000	—
Total	1,093,415	367,786	1,461,201	1,612,800	794,900	2,407,700	1,895,900	2,952,000	4,847,900
Net	—	—	0	—	—	0	—	—	0
Remittances:									
Inland Money Orders	20,452,805	—	—	21,800,000	—	—	22,900,000	—	—
Other Local Remittances	—	—	—	657,000	—	—	529,600	—	—
Other Departmental Accounts	534,275	—	—	412,500	—	—	549,200	—	—
Net Receipts by Civil Treasuries from—									
Post Office	418,691	—	—	541,600	—	—	1,780,500	—	—
Telegraph	95,349	—	—	96,900	—	—	54,800	—	—
Guaranteed Railways	2,848,380	—	—	3,279,700	—	—	3,211,800	—	—
Public Works	1,677,764	—	—	1,729,600	—	—	1,783,600	—	—
Net Receipts from Civil Treasuries by—									
Marine	187,503	—	—	188,300	—	—	201,800	—	—
Military	14,944,275	—	—	16,714,700	—	—	16,116,300	—	—
Remittance Account between England and India.	1,042,313	187,285	—	840,700	332,000	—	445,800	537,200	—
Total	42,201,355	187,285	42,388,640	46,261,000	332,000	46,593,000	47,573,400	537,200	48,110,600
Net	—	—	0	—	—	683,000	—	—	0
Secretary of State's Bills drawn.	—	16,905,102	16,905,102	—	18,300,000	18,300,000	—	16,500,000	16,500,000
Total Receipts	166,537,776	26,671,601	—	172,711,800	21,638,300	—	178,334,700	24,568,700	—
Opening Balance	25,565,588	1,300,564	—	22,529,488	2,503,124	—	16,500,488	3,794,724	—
GRAND TOTAL	192,103,364	27,972,165	—	195,241,288	24,141,424	—	194,835,188	28,363,424	—

Fort William, Finance and Commerce Department,
19 March 1896.

W. H. Dobbie,
Officiating Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

PROVINCIAL AND

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burma.	Assam.
Accounts, 1894-95.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1893-94	15,036	208,097	484,174	140,309
Added in 1894-95	159	—	—	18,924
Spent in 1894-95	—	122,196	286,653	27,422
Balance at end of 1894-95	15,195	85,901	197,521	131,811
Revised Estimate, 1895-96.				
Balance at end of 1894-95 (by Accounts)	15,195	85,901	197,521	131,811
Added in 1895-96	—	26,800	217,300	8,500
Spent in 1895-96	200	—	—	—
Balance at end of 1895-96	14,995	112,701	414,821	140,311
Budget Estimate, 1896-97.				
Balance at end of 1895-96 (by Revised Estimate).	14,995	112,701	414,821	140,311
Added in 1896-97	—	1,200	—	—
Spent in 1896-97	400	—	133,400	43,600
Balance at end of 1896-97	14,595	113,901	281,421	96,711

Fort William, Finance and Commerce Department,
19 March 1896.

W. H. Dobbie,
Officiating Deputy Comptroller General.

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1894-95.			REVISED ESTIMATE, 1895-96.			BUDGET ESTIMATE, 1896-97.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	110,514,960	23,522,243	- -	112,522,300	18,416,000	- -	112,729,800	21,470,700	—
Loans and Advances by Imperial Government.	87,043	- -	87,043	160,600	- -	160,600	53,600	- -	53,600
Net - - -	- -	- -	0	- -	- -	28,800	- -	- -	0
Loans and Advances by Provincial Governments.	599,763	- -	599,763	650,100	- -	650,100	792,200	- -	792,200
Net - - -	- -	- -	271,221	- -	- -	268,600	- -	- -	464,000
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	- -	- -	- -	- -	- -	- -	1,732,900	—
For Expenditure - -	1,220,479	890,734	- -	1,757,000	927,800	- -	3,422,300	1,847,200	—
Total - - -	1,220,479	890,734	2,111,213	1,757,000	927,800	2,684,800	3,422,300	3,580,100	7,002,400
Net - - -	- -	- -	650,012	- -	- -	277,100	- -	- -	2,154,500
Remittances:									
Inland Money Orders - -	20,430,821	- -	- -	21,800,000	- -	- -	22,900,000	—	—
Other Local Remittances -	13,581	—	—	657,000	—	—	529,600	—	—
Other Departmental Accounts	566,340	- -	- -	412,500	- -	- -	549,200	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	418,708	- -	- -	541,600	- -	- -	1,780,500	—	—
Telegraph - - - -	95,548	- -	- -	96,900	- -	- -	54,800	—	—
Guaranteed Railways -	2,848,380	- -	- -	3,279,700	- -	- -	3,211,800	—	—
Public Works - - -	1,686,880	- -	- -	1,229,600	- -	- -	1,783,600	—	—
Net Issues from Civil Treasuries to—									
Marine - - - -	192,814	- -	- -	188,300	- -	- -	201,800	—	—
Military - - - -	14,944,275	- -	- -	16,554,700	- -	- -	16,116,300	—	—
Remittance Account between England and India.	183,750	1,056,064	- -	146,800	1,002,900	- -	150,300	848,800	—
Total - - -	41,381,097	1,056,064	42,437,161	44,907,100	1,002,900	45,910,000	47,277,900	848,800	48,126,700
Net - - -	- -	- -	48,521	- -	- -	0	- -	- -	16,100
SECRETARY OF STATE'S BILLS PAID.	15,770,534	- -	15,770,534	18,743,700	- -	18,743,700	16,503,400	- -	16,503,400
TOTAL DISBURSEMENTS -	169,573,876	25,469,041	- -	178,740,800	20,346,700	- -	180,779,200	25,899,600	—
Closing Balance - -	22,529,488	2,503,124	- -	16,500,488	3,794,724	- -	14,055,988	2,463,824	—
GRAND TOTAL - - -	192,103,364	27,972,165	- -	195,241,288	24,141,424	- -	194,835,188	28,363,424	—

A. F. Cox,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
437,423	602,545	347,486	734,912	807,521	3,777,503
169,796	- - -	2,589	92,328	- - -	283,796
4,273	186,451	24,811	64,098	128,752	844,656
602,946	416,094	325,264	763,142	678,769	3,216,643
602,946	416,094	325,264	763,142	678,769	3,216,643
107,800	- - -	4,600	79,000	89,100	533,100
- - -	149,900	- - -	- - -	- - -	150,100
710,746	266,194	329,864	842,142	767,869	3,599,643
710,746	266,194	329,864	842,142	767,869	3,599,643
- - -	- - -	- - -	- - -	- - -	1,200
240,300	107,800	46,000	189,400	126,700	887,600
470,446	158,394	283,864	652,742	641,169	2,713,243

A. F. Cox,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

E.—STATEMENT of Net Revenue and Expenditure.—India and England.

Part I.—Income.

REVENUE.	Accounts, 1894–95.		Revised Estimate, 1895–96.		Budget Estimate, 1896–97.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue, &c.:						
1. Land Revenue - -	25,358,386		26,141,700		26,048,000	
2. Forest - - - - -	1,623,244		1,682,300		1,729,600	
3. Tributes from Native States.	779,190		800,700		892,200	
	27,760,820		28,624,700		28,669,800	
Deduct,—Assignments -	*1,090,643*		*1,120,000*		*1,111,100*	
Net - - - - -		26,670,177		27,504,700		27,558,700
II.—Opium - - - - - -	7,323,755		7,057,100		6,895,200	
Deduct,—Assignments -	*5,092*		*5,100*		*5,100*	
Net - - - - -		7,318,663		7,052,000		6,890,100
III.—Taxation:						
1. Salt - - - - -	8,628,910		8,760,000		8,667,500	
2. Stamps - - - - -	4,568,484		4,675,700		4,677,000	
3. Excise - - - - -	5,500,403		5,693,500		5,719,400	
4. Provincial Rates - -	3,535,623		3,691,700		3,664,600	
5. Customs - - - - -	3,774,870		4,782,600		4,364,200	
6. Assessed Taxes - -	1,794,708		1,826,500		1,830,000	
7. Registration - - -	416,993		424,800		427,700	
	28,219,991		29,854,800		29,350,400	
Deduct,—Assignments -	*410,615*		*430,700*		*420,000*	
Net - - - - -		27,809,376		29,424,100		28,930,400
IV.—Miscellaneous Receipts (*i.e.*, Mint, Gain by Exchange, and Miscellaneous). - -		470,785	- -	369,100	- -	269,300
		62,269,001	- -	64,349,900	- -	63,648,500

E.—STATEMENT of Net Revenue and Expenditure.—India and England—*continued.*

Part II.—Expenditure.

CHARGES.	Accounts, 1894–95.		Revised Estimate, 1895–96.		Budget Estimate, 1896–97.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Debt Services		4,308,955		3,121,600		2,828,400
II.—Military Services:						
1. Army	23,085,894		24,633,200		24,295,800	
2. Military Works	948,297		1,102,800		1,183,400	
3. Special Defence Works	217,867		110,500		57,500	
Total		24,252,058		25,846,500		25,536,700
III.—Collection of Revenue:						
1. Land Revenue, including District Administration.	4,048,132		4,087,200		4,175,800	
2. Opium	1,616,105		2,078,300		2,595,300	
3. Forest	913,449		940,900		1,045,800	
4. Other Heads	1,357,450		1,419,500		1,505,000	
Total		7,935,136		8,525,900		9,321,900
IV.—Commercial Services:						
Net Expenditure:						
1. Railway	2,348,489		1,783,700		2,274,300	
2. Irrigation	613,965		689,200		320,300	
	2,962,454		2,472,900		2,594,600	
Deduct,—Net Receipts:						
Post Office	25,534		71,800		78,100	
Telegraph	170,749		182,100		118,400	
	196,283		253,900		196,500	
Net		2,766,171		2,219,000		2,398,100
V.—Civil Services:						
1. Civil Departments	13,206,249		13,471,700		13,741,700	
2. Miscellaneous Civil Charges.	5,326,311		5,277,000		5,339,400	
3. Famine Relief and Insurance.	610,235		585,500		598,500	
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	19,609		9,700		14,500	
5. Civil Works	3,712,027		3,958,600		4,292,600	
	22,874,431		23,302,500		23,986,700	
Add or *Deduct*,—						
Provincial Surplus or Deficit.	*560,860*		383,000		*886,400*	
Total		22,313,571		23,685,500		23,100,300
		61,575,891		63,398,500		63,185,400
Excess of Income over Expenditure.		693,110		951,400		463,100
		62,269,001		64,349,900		63,648,500

W. H. Dobbie,
Officiating Deputy Comptroller General.

A. F. Cox,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

Fort William, Finance and Commerce Department,
19 March 1896.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

		1887-88.	1888-89.	1889-90.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:					
Surplus	*Rx.*	-	37,018	2,612,033	1
Deficit	„	2,028,832	-	-	2
Capital Expenditure on Public Works not charged against Revenue.*	„	2,784,824	1,638,001	3,173,390	3
Capital Charge involved in Redemption of Liabilities	£.	-	10,336,049	-	4
Net Public Debt incurred		5,435,799	13,487,881	5,129,018	5
Net Public Debt incurred, including Capital transactions with Guaranteed Railways and other Companies.		4,861,672	9,456,342	3,913,426	6
Value of commodities exported, excluding Gold and Silver	*Rx.*	90,544,000	97,049,000	103,460,000	7
Value of commodities imported, excluding Gold and Silver	„	65,005,000	69,440,000	69,197,000	8
Excess of Exports over Imports, excluding Gold and Silver	„	25,539,000	27,609,000	34,263,000	9
Net Imports of Gold	„	2,992,000	2,814,000	4,615,000	10
Net Imports of Silver	„	9,229,000	9,247,000	10,938,000	11
TOTAL Net Imports of Gold and Silver	„	12,221,000	12,061,000	15,553,000	12
Excess of Exports over Imports, including Gold and Silver	„	13,318,000	15,548,000	18,710,000	13
Grand Total Value of Imports and Exports of all kinds	„	170,979,000	182,119,000	192,024,000	14
Secretary of State's Bills sold	*Rs.*	21,81,23,993	20,89,91,221	22,41,86,638	15
Sterling equivalent received	£.	15,358,577	14,262,859	15,474,496	16
Silver coined at the Indian Mints	*Rx.*	10,788,425	7,282,255	8,541,158	17
Maximum price in pence of an oz. Troy standard silver in London	*d.*	45⅛ (Dec.)	44⅜ (Sept.)	44⅞ (Jan.)	18
Minimum - - ditto - - ditto	„	43 (Mar.)	41⅝ (May)	41 5/16 (May)	19
Average exchange upon Secretary of State's Bills sold per rupee.		1*s.* 4·899*d.*	1*s.* 4·379*d.*	1*s.* 4·566*d.*	20
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.		1*s.* 6*d.*	1*s.* 5*d.*	1*s.* 4½*d.*	21
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.		9 (April and May)	12 (Feb. & Mar.)	11 (Feb. and Mar.)	22
Minimum - - ditto - - ditto		3 (Oct. to Dec.)	4 (May to Sept.)	4 (June, July & Oct.)	23
Maximum rate of discount at the Bank of England		4 (Sept. to Jan.)	5 (Oct. to Jan.)	6 (Jan. and Feb.)	24
Minimum - - ditto - - ditto		2 (April to Aug.)	2 (April & May)	2½ (April & July)	25
Maximum Government Balances at the three Presidency Banks.		*Rx.* 3,595,900 (Feb.)	4,385,500 (June)	4,446,400 (March)	26
Minimum - - ditto - - ditto	„	2,861,500 (Dec.)	2,791,900 (Nov.)	2,856,900 (Nov.)	27
Maximum price in Calcutta of Government 4 per Cent. Rupee Securities.		100 (Oct.)	101-1 (Sept.)	100-10 (July)	28
Minimum - - ditto - - ditto		95-4 (April)	96-6 (Jan.)	96-3 (Jan.)	29
Maximum price in Calcutta of Government 3½ per Cent. Rupee Securities (Guaranteed).		-	-	-	30
Minimum - - ditto - - ditto		-	-	-	31
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	*Rx.*	20,812,800 (Mar.)	21,701,500 (March)	21,962,100 (Nov.)	32
Minimum - - ditto - - ditto	„	18,916,300 (Oct.)	19,278,500 (May)	21,586,900 (March)	33
Maximum price in London of 4 per Cent. (Rupee) Securities, in gold.		70⅞ (Sept.)	69¼ (Sept.)	70½ (Jan.)	34
Minimum - - ditto - - ditto		67 (April)	65⅛ (May)	66½ (Sept.)	35
Maximum price in London of 3½ per Cent. (Rupee) Securities in Gold.		-	-	-	36
Minimum - - ditto - - ditto		-	-	-	37
Maximum price in London of India 3½ per Cent. Stock		103 (Mar.)	108¾ (Mar.)	109¾ (May)	38
Minimum - - ditto - - ditto		100½ (Sept.)	104 (Oct.)	106⅜ (Dec.)	39
Maximum price in London of India 3 per Cent. Stock		99⅝ (Mar.)	100⅜ (Feb.)	102 (Aug.)	40
Minimum - - ditto - - ditto		87¾ (April)	96 (May)	99 (April)	41
Maximum Government Paper Currency outstanding	*Rx.*	18,610,300 (Nov.)	18,055,300 (July)	16,667,800 (Nov.)	42
Minimum - - ditto - - ditto	„	13,903,200 (May)	14,829,800 (Feb.)	15,466,500 (Dec.)	43
Number of Savings Banks		6,152	6,237	6,546	44
Number of Depositors in Savings Banks		331,867	383,267	431,805	45
Amount deposited in Savings Banks	*Rx.*	6,675,571	7,622,544	7,531,868	46
Average of each deposit	„	20	20	18	47
Net addition to deposits	„	880,322	946,973	—90,676	48

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	Revised Estimate, 1895–96.	Budget, 1896–97.
1	3,688,171	467,535	- - -	- - -	693,110	951,400	463,100
2	- - -	- - -	833,412	1,546,998	—	—	—
3	3,365,632	3,500,000	3,986,290	3,621,252	4,446,231	4,327,200	6,256,700
4	4,692,557	—	—	—	—	—	—
5	6,293,714	3,038,293	—376,405	4,043,311	4,822,662	—592,700	3,811,300
6	3,639,498	1,891,901	315,875	3,331,845	4,172,650	—869,800	1,656,800
7	100,227,000	108,173,000	106,595,000	106,503,000	108,914,000	—	—
8	71,975,000	69,432,000	66,265,000	77,021,000	73,529,000	—	—
9	28,252,000	38,741,000	40,330,000	29,482,000	35,385,000	—	—
10	5,636,000	2,414,000	—2,813,000	641,000	—4,974,000	—	—
11	14,175,000	9,022,000	12,864,000	13,720,000	6,329,000	—	—
12	19,811,000	11,436,000	10,051,000	14,361,000	1,355,000	—	—
13	8,441,000	27,305,000	30,279,000	15,121,000	34,030,000	—	—
14	196,260,000	195,615,000	196,829,000	206,086,000	200,250,000	—	—
15	21,18,69,300	23,08,28,115	26,47,84,151	15,72,36,031	30,96,98,798	32,09,82,000	28,80,00,000
16	15,969,034	16,093,854	16,532,215	9,530,235	16,905,102	18,300,000	16,500,000
17	13,193,473	5,553,970	12,611,528	4,902,499	94,594	—	—
18	54⅝ (Sept.)	46⅜ (July)	41⅛ (June)	38¾ (June)	30½ (Aug.)	31⅝ (Feb.)	—
19	43⅞ (April)	39 (Mar.)	37⅜ (Mar.)	27 (Mar.)	27 3/16 (Dec. & Jan.)	29⅞ (April)	—
20	1*s.* 6·089*d.*	1*s.* 4·733*d.*	1*s.* 2·985*d.*	1*s.* 2·547*d.*	1*s.* 1·1005*d.*	1*s.* 1·68*d.*	1*s.* 1⅜*d.*
21	1*s.* 5*d.*	1*s.* 6½*d.*	1*s.* 4¾*d.*	1*s.* 2¾*d.*	1*s.* 3¼*d.* 1st quarter. For the remaining quarters, 1*s.* 1¼*d.*	1*s.* 1¼*d.*	1*s.* 1⅜*d.*
22	12 (April)	5 (Jan. — Mar.)	6 (Jan.)	10 (Feb.)	9 (April)	7 (from Feb. 20).	—
23	3 (Aug. to Feb.)	2 (Aug. and Sept.)	3 (May to Dec.)	4 (June 29 to Nov. 15) & (Nov. 30 to Jan. 10.)	3 (Sept. 6 to Jan. 16).	3 (July 25 to Nov. 13).	—
24	6 (Nov.)	5 (May and June)	3 (April, Oct., Nov., Dec. and Jan.)	5 (Aug. & Sept.)	2	2	—
25	3 (April, May, June, Feb., and March).	2½ (July, Aug., and Sept.)	2 (May to Oct.)	2 (Feb. & Mar.)	2	2	—
26	4,083,800 (June)	4,743,700 (June)	4,123,600 (May)	3,685,400 (June)	4,292,000 (Jan.)	4,161,900 (May)	—
27	2,937,300 (Oct.)	2,871,600 (Oct.)	2,751,900 (Nov.)	3,016,400 (Nov.)	3,165,700 (Nov.)	3,001,500 (Nov.)	—
28	106–6 (Jan.)	108–4 (June)	109–2 (May)	108–12 (June)	105–2 (June)	—	—
29	99–7 (April)	104–10 (Feb.)	103–7 (Sept.)	99–4 (Feb.)	102–3 (May).	—	—
30	- - -	- - -	- - -	- - -	105–7 (Mar.)	109–8 (Oct.)	—
31	- - -	- - -	- - -	- - -	100–8 (April)	104–15 (Jan.)	—
32	26,724,500 (Mar.)	27,921,500 (Feb.)	27,256,600 (April)	25,978,300 (July)	23,634,600 (April)	—	—
33	21,498,900 (April)	26,531,900 (Aug.)	25,927,100 (Mar.)	24,127,500 (Mar.)	13,732,900 (Dec.)	—	—
34	90¼ (Aug.)	78⅞ (July)	70⅝ (June)	71 (June)	59⅞ (Aug.)	—	—
35	70¼ (April)	66⅜ (Mar.)	62 9/16 (Aug.)	56⅞ (Feb.)	53 3/16 (May)	—	—
36	- - -	- - -	- - -	- - -	58⅛ (Mar.)	65 15/16 (Feb.)	—
37	- - -	- - -	- - -	- - -	53 3/16 (Jan.)	57½ (April & May)	—
38	110 (Feb.)	108¾ (April)	110 (Mar.)	110⅛ (April)	116 (Feb.)	118¾ (Nov.)	—
39	104⅝ (Nov.)	103⅛ (June)	105 (Aug.)	106¾ (Sept.)	108¼ (June)	114¼ (April)	—
40	100⅝ (April)	97¾ (April)	100¼ (Mar.)	100¼ (April)	105 (Jan.)	110 (Sept.)	—
41	94⅜ (Nov.)	93 (June)	95 (Aug.)	97 (Sept.)	98¾ (June)	103¾ (May)	—
42	27,660,300 (Jan.)	27,040,700 (July)	29,065,000 (Aug.)	30,515,900 (Jan.)	32,355,400 (Nov.)	—	—
43	17,419,600 (April)	22,624,200 (Jan.)	23,958,100 (Apl.)	24,216,000 (April)	29,500,000 (Jan.)	—	—
44	6,642	6,642	6,594	6,544	6,564	—	—
45	475,329	528,752	588,477	644,658	683,209	—	—
46	8,062,241	8,886,372	9,774,819	10,322,430	10,534,925	—	—
47	17	17	17	16	15	—	—
48	530,373	824,131	888,447	547,775	212,465	—	—

APPENDIX II.—*continued.*

TABLE II.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	Revised Estimate, 1895-96.	Budget Estimate, 1896-97.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	2,588	2,588	2,587	2,587	2,587	2,587	2,587
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross Traffic Receipts - - -	6,753,013	6,846,420	6,301,935	6,461,042	6,124,166	6,267,500	6,330,000
Working Expenses - - -	3,251,739	3,353,302	3,057,522	3,077,230	3,073,855	2,997,500	3,097,000
Percentage of Working Expenses on Receipts - - - -	48·15	48·98	48·52	47·63	50 19	47·82	48·92
Net Traffic Receipts - - -	3,501,274	3,493,118	3,244,413	3,383,812	3,050,311	3,270,000	3,233,000
Net Gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's Bills - - - -	—	—	—	—	—	—	—
TOTAL Revenue - - -	3,501,274	3,493,118	3,244,413	3,383,812	3,050,311	3,270,000	3,233,000
Gross Guaranteed Interest paid in India - - - - - *Rx.*	7,597	37,171	2,673	2,495	6,352	3,200	6,900
Gross Guaranteed Interest paid in London - - - - - £.	2,354,130	2,114,159	2,145,297	2,154,720	2,154,714	2,161,600	2,160,700
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Total Guaranteed Interest (sterling payments converted at the average exchange of the year) -	3,130,941	3,069,430	3,438,635	3,557,493	3,953,754	3,794,600	3,778,300
Surplus paid to Railway Companies - - - - - -	473,334	737,659	581,924	571,255	600,695	501,200	589,400
Land and Supervision - - -	42,987	19,257	29,423	34,003	31,541	31,100	36,100
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the Gain - - - - -	87,538	131,960	145,383	133,548	74,262	86,600	53,300
TOTAL Expenditure - - -	3,734,800	3,958,306	4,195,365	4,296,299	4,660,252	4,413,500	4,457,100
Net Expenditure from the Public Treasury - - - - -	233,526	465,188	950,952	912,487	1,609,941	1,143,500	1,224,100
Net Revenue - - - - -	—	—	—	—	—	—	—

APPENDIX II.—*continued.*

TABLE III.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1894-95, and ESTIMATED EXPENDITURE on such Works in 1895-96 and 1896-97, and to end of 1896-97.

RAILWAYS.	To end of 1893-94.	Accounts, 1894-95.	Revised Estimate, 1895-96.	Budget Estimate, 1896-97.	To end of 1896-97.	Sanctioned Outlay.	Balance remaining unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	15,623,196	388,239	310.000	112,200	16,433,635	16,433,635	—
Rajputana-Malwa	9,354,702	104,004	85,000	27,800	9,571,506	9,571,506	—
Holkar	1,308,443	298	200	9,800	1,318,741	1,318,741	—
Cawnpore-Achnera	1,162,529	4,777	8,200	7,500	1,183,006	1,183,006	—
Rewari-Ferozepore	1,282,783	4,809	9,500	15,500	1,312,592	1,312,592	—
Palanpur-Deesa	20,596	934	1,300	3,100	25,930	25,930	—
Bhopal	213,820	13,174	5,100	3,000	235,094	235,094	—
Wardha Coal	498,769	- -	700	7,500	506,969	506,969	—
Warora Colliery	167,694	39,795	—7,000	13,500	213,989	213,989	—
Umaria Colliery	99,523	4,299	5,300	5,400	114,522	114,522	—
Burma	5,350,702	41,746	—11,000	42,800	5,424,248	5,424,248	—
Jorhat	81,083	827	1,900	6,000	89,810	89,810	—
Cherra-Companyganj	77,900	243	100	- -	78,243	78,243	—
Eastern Bengal	8,637,548	60,268	141,600	407,500	9,246,916	9,246,916	—
Tirhoot	2,498,363	25,810	60,300	32,500	2,616,973	2,616,973	—
Oudh and Rohilkhand	10,626,534	72,344	135,900	83,800	11,666,933	11,666,933	—
Bareilly-Rampur-Moradabad	663,423	84,932					
Lucknow-Bareilly	512,114	- -	- -	- -	512,114	512,114	—
North Western	35,156,537	206,566	199,100	289,900	35,852,103	35,852,103	—
Gradient Improvements	636,813	104,015	3,900	—10,000	734,728	734,728	—
Guntakal-Mysore frontier	585,810	757	2,000	4,000	592,567	592,567	—
South Indian	7,285,365	18,503	45,000	50,000	7,398,868	7,398,868	—
Dhond and Manmad	1,118,086	4,804	21,600	4,000	1,148,490	1,148,490	—
Mayavaram-Mutupet	227,169	12,668	6,000	4,000	249,837	249,837	—
Hyderabad-Shadipalli	170,697	5,871	1,700	4,500	182,768	182,768	—
Petroleum Operations	12,467	—48	— 500	- -	11,919	11,919	—
Frontier Railway Reserve Material	435,795	1,105	2,300	400	439,600	439,600	—
Peshawar Railway Reserve Material	36,776	- -	- -	- -	36,776	36,776	—
Bezwada-Madras (Ennore Section)	- -	17,058	43,000	- -	60,058	60,058	—
TOTAL	103,845,237	1,217,798	1,071,200	1,124,700	107,258,935	107,258,935	—
LINES UNDER CONSTRUCTION.							
Rutlam-Ujjain	859	7,047	131,600	47,500	187,006	186,757	—249
Godhra-Rutlam	1,351,298	183,137	31,600	33,200	1,599,235	1,577,201	—22,034
Mu Valley	1,794,473	293,104	121,900	100,000	2,309,477	2,368,121	58,644
Mandalay-Kunlon	- -	- -	50,000	620,000	670,000	2,250,000	1,580,000
Assam-Bengal (Construction)	- -	729,825	377,000	1,048,000	2,154,825	5,770,900	3,616,075
Assam-Bengal (Land)	81,235	125,306	85,000	150,000	441,541	500,000	58,459
Rae Bareli-Benares	- -	- -	60,000	240,000	300,000	843,409	543,409
Kotri-Rohri	227	94,666	675,700	511,000	1,281,593	1,570,994	289,401
Wazirabad-Lyallpur	3,867	50,444	207,100	92,500	353,911	392,115	38,204
Mushkaf-Bolan	1,012,669	607,950	208,200	195,000	2,023,819	2,263,705	239,886
Mari-Attock	388,870	85,343	259,800	300,000	1,034,013	1,430,000	395,987
East Coast (*a*)	3,972,639	815,135	690,000	197,800	5,675,574	5,576,737	—98,837
Bezwada-Madras	- -	- -	140,000	800,000	940,000	2,056,291	1,116,291
Cawnpore-Lucknow-Gogra	- -	94,538	110,200	9,600	214,338	246,977	32,639
Tirhoot Extensions	- -	- -	- -	400,000	400,000	1,241,683	841,683
TOTAL	8,606,137	3,086,495	3,148,100	4,744,600	19,585,332	28,274,890	8,689,558
Carried forward	112,451,374	4,304,293	4,219,300	5,869,300	126,844,267	135,533,825	8,689,558

(*a*) Includes Bezwada Extension Railway.

APPENDIX II.—*continued.*

TABLE III.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	To end of 1893–94.	Accounts, 1894–95.	Revised Estimate, 1895–96.	Budget Estimate, 1896–97.	To end of 1896–97.	Sanctioned Outlay.	Balance remaining unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	112,451,374	4,304,293	4,219,300	5,869,300	126,844,267	135,533,825	8,689,558
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES, &c.							
Ranaghat-Bhagwangola - - -	30,244	- -	- -	- -	30,244	30,244	—
Southern Mahratta (Depreciation on Stores, &c.).	52,707	- -	- -	- -	*52,707	52,707	—
Bellary-Kistna - - - - - -	1,657,753	- -	100	- -	1,657,853	1,657,853	—
Bilaspur-Etawah - - - - -	7,514	- -	- -	- -	7,514	7,514	—
Vizagapatam-Raipur - - -	24,504	- -	- -	- -	24,504	24,504	—
Nagpur - Chhattisgarh Depreciation Account.	53,432	12,271	- -	- -	65,703	65,703	—
TOTAL - - -	1,826,154	12,271	100	- -	1,838,525	1,838,525	—
Stores - - - - - - - -	11,946	111,998	—89,300	33,300	67,944	67,944	—
	114,289,474	4,428,562	4,130,100	5,902,600	128,750,736	137,440,294	8,689,558
Add,—Reserve - - - -	- -	- -	36,600	92,100	128,700	128,700	—
TOTAL - - -	114,289,474	4,428,562	4,166,700	5,994,700	128,879,436	137,568,994	8,689,558
Distributed as under :—							
Capital Expenditure on Public Works (not charged against Revenue) :							
State Railways—Construction	68,793,393	3,852,086	3,622,200	5,506,700	81,774,379	—	—
Redemption of Liabilities -	33,553,451	- -	- -	- -	33,553,451	—	—
Famine Relief and Insurance :							
Protective Railways - -	5,464,197	556,867	534,800	473,500	7,029,364	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance.)	6,478,433	19,609	9,700	14,500	6,522,242	—	—
TOTAL as above - - -	114,289,474	4,428,562	4,166,700	5,994,700	128,879,436	137,568,994	8,689,558

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX II.—*continued.*

TABLE IV.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1894-95, and ESTIMATED EXPENDITURE on such Works in 1895-96 and 1896-97, and to the end of 1896-97.

	Accounts, 1894-95.	Revised Estimate, 1895-96.	Budget Estimate, 1896-97.	Total Actual and Estimated Outlay to end of 1896-97.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.						
Orissa Canals:						
Old outlay	31,218	- -	- -	2,560,529	3,139,622	—
Outlay against Open Capital sanctions	2,542	—500	1,900	7,301	5,868	—
Midnapore Canal:						
Old outlay	- -	- -	- -	822,251	831,677	—
Outlay against Open Capital sanctions	- -	1,000	100	4,980	6,754	—
Hijili Tidal Canal:						
Old outlay	- -	- -	- -	226,274	254,184	—
Outlay against Open Capital sanctions	10,632	15,300	2,400	28,332	28,098	—
Sone Canals:						
Old outlay	- -	- -	- -	2,535,663	2,788,870	—
Outlay against Open Capital sanctions	3,888	4,700	3,100	71,539	71,387	—
North-Western Provinces and Oudh.						
Ganges Canal:						
Old outlay	- -	- -	- -	2,685,061	2,923,592	—
Outlay against Open Capital sanctions	28,372	32,400	26,300	127,622	120,422	—
Lower Ganges Canal:						
Old outlay	- -	- -	- -	3,072,122	3,273,832	—
Outlay against Open Capital sanctions	22,872	19,300	38,800	181,116	173,689	—
Fatehpur Branch	609	42,600	92,600	141,015	342,000	200,985
Agra Canal:						
Old outlay	- -	- -	- -	849,147	871,752	—
Outlay against Open Capital sanctions	9,586	10,900	10,700	39,715	33,508	—
Eastern Jumna Canal:						
Old outlay	- -	- -	- -	318,507	344,191	—
Outlay against Open Capital sanctions	5,610	19,800	9,500	45,329	33,009	—
Punjab.						
Western Jumna Canal:						
Old outlay	- -	- -	- -	1,051,643	1,078,050	—
Outlay against Open Capital sanctions	26,000	49,500	29,400	144,383	123,117	—
Western Jumna Canal, Sirsa Branch (State outlay):						
Old outlay	52,581	- -	- -	274,615	289,269	—
Outlay against Open Capital sanctions	- -	16,000	3,000	19,000	627	—
Bari Doab Canal:						
Old outlay	- -	- -	- -	1,572,350	1,579,860	—
Outlay against Open Capital sanctions	35,358	20,700	16,200	158,713	184,330	—
Carried forward	229,274	231,700	234,000	16,937,207	—	—

APPENDIX II.—*continued.*

TABLE IV.—CAPITAL EXPENDITURE on IRRIGATION, &c.—*continued.*

	Accounts, 1894-95.	Revised Estimate, 1895-96.	Budget Estimate, 1896-97.	Total Actual and Estimated Outlay to end of 1896-97.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward	229,274	231,700	234,000	16,937,207	—	—
Punjab—continued.						
Sirhind Canal (State outlay):						
Old outlay	-	-	-	2,188,086	2,226,440	—
Outlay against Open Capital sanctions	3,760	2,800	11,000	112,379	199,143	—
Chenab Canal (including Extension)	170,852	256,500	245,000	1,959,827	2,568,418	608,591
Madras.						
Godavari Delta System:						
Old outlay	-	-	-	1,083,306	1,108,933	—
Outlay against Open Capital sanctions	513	1,800	8,400	18,763	26,978	—
Kistna Delta System	40,778	53,800	57,500	1,194,684	1,391,978	197,294
Sangam Anicut System:						
Old outlay	-	-	-	306,696	313,000	—
Outlay against Open Capital sanctions	3,099	1,700	1,900	6,699	7,215	—
Periyar Project	95,979	69,500	16,300	821,403	847,100	25,697
Bombay.						
Desert Canal:						
Old outlay	-	-	-	122,089	123,479	—
Outlay against Open Capital sanctions	246	400	6,200	7,115	886	—
Begari Canal:						
Old outlay	-	-	-	162,561	162,561	—
Outlay against Open Capital sanctions	-	-	2,500	2,500	—	—
Eastern Nara Works	31,980	—9,500	15,200	614,849	619,079	4,230
Jamrao Canal	16,414	100,000	110,000	226,414	696,653	470,239
Mutha Canals	7,991	3,100	5,600	640,934	621,421	—
Other projects	14,922	14,000	48,100	3,364,435	—	—
	615,808	725,800	761,700	29,769,947	—	—
Deduct,—Outlay incurred from ordinary Revenues	21,663	20,800	11,700	5,577,178	—	—
TOTAL	594,145	705,000	750,000	24,192,769	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
North-Western Provinces and Oudh.						
Betwa Canal:						
Old outlay	-	-	-	398,447	425,141	—
Outlay against Open Capital sanctions	814	800	1,200	4,874	3,240	—
Punjab.						
Swat River Canal:						
Old outlay	-	-	-	347,689	354,581	—
Outlay against Open Capital sanctions	265	13,900	21,700	38,673	38,002	—
Madras.						
Rushikulya Project	30,973	22,800	18,900	409,767	436,800	27,033
Bombay.						
Nira Canal	10,687	2,600	1,200	533,965	573,465	39,500
Other projects	371	100	7,000	417,743	—	—
	43,110	40,200	50,000	2,151,158	—	—
Deduct,—Outlay incurred from ordinary Revenues	-	-	-	285,434	—	—
TOTAL	43,110	40,200	50,000	1,865,724	—	—
GRAND TOTAL	637,255	745,200	800,000	26,058,493	—	—

APPENDIX II.—*continued.*

TABLE V.—GROSS TRAFFIC RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1894–95, with REVISED ESTIMATES for 1895-96, and BUDGET ESTIMATES for 1896–97.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.	1896–97.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	3,243	* 2,588	2,588	2,587	2,587	2,587	2,587
Gross Traffic Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Madras	963,219	946,852	979,209	1,049,883	1,054,139	1,115,000	1,140,000
South Indian	468,015	—	—	—	—	—	—
Bombay, Baroda, and Central India	1,325,745	1,422,293	1,435,202	1,518,105	1,630,225	1,752,500	1,770,000
Great Indian Peninsula	3,996,034	4,477,276	3,887,524	3,893,054	3,439,802	3,400,000	3,420,000
TOTAL	6,753,013	6,846,421	6,301,935	6,461,042	6,124,166	6,267,500	6,330,000
Working Expenses.							
Madras	497,965	548,941	526,892	519,380	540,037	542,500	547,000
South Indian	281,260		—	—	—	—	—
Bombay, Baroda, and Central India	537,342	599,949	579,392	539,789	596,400	655,000	700,000
Great Indian Peninsula	1,935,172	2,204,413	1,951,238	2,018,061	1,937,418	1,800,000	1,850,000
TOTAL	3,251,739	3,353,303	3,057,522	3,077,230	3,073,855	2,997,500	3,097,000
Net Traffic Receipts.							
Madras	465,254	397,911	452,317	530,503	514,102	572,500	593,000
South Indian	186,755	—	—		—	—	—
Bombay, Baroda, and Central India	788,403	822,344	855,810	978,316	1,033,825	1,097,500	1,070,000
Great Indian Peninsula	2,060,862	2,272,863	1,936,286	1,874,993	1,502,384	1,600,000	1,570,000
TOTAL	3,501,274	3,493,118	3,244,413	3,383,812	3,050,311	3,270,000	3,233,000
STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	11,055	† 12,757	13,106	13,461	13,806	14,146	14,872
Gross Traffic Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,428,495	4,957,632	4,888,869	5,122,906	5,248,525	5,500,400	5,440,400
Nalhati	10,008	9,235	—				
Patna-Gya	51,749	60,771	28,650				
Rajputana-Malwa	1,851,105	2,205,116	2,247,595	2,307,621	2,513,124	2,310,000	2,350,000
Godhra-Ratlam	—	—	—	7,394			
Bhopal	8,777	13,088	15,310	16,916	16,163	14,200	17,000
Palanpur-Deesa	—	—	—	1,458	3,861	3,900	4,000
Warora Colliery	90,930	54,425	54,407	56,147	51,955	53,500	56,000
Wardha Coal		25,897	23,299	21,086	22,024	19,200	20,000
Bengal-Nagpur	319,391	637,317	603,259	680,890	679,214	645,000	680,000
Umaria Colliery	33,979	27,996	36,524	37,214	42,023	41,000	48,000
Burma	376,678	406,038	695,172	619,009	595,544	665,000	690,000
Tounghoo-Mandalay	193,310	210,927					
Mu Valley	—	13,614	23,154	28,076	32,291	35,000	45,000
Assam-Bengal	—	—	—	—	—	40,000	100,000
Jorhat	6,198	6,402	6,641	7,093	7,357	7,800	8,200
Cherra-Companyganj	1,713	1,953	1,846	2,298	2,488	2,300	2,700
Eastern Bengal	1,220,112	1,146,384	1,182,955	1,249,481	1,438,629	1,390,000	1,300,000
Tirhoot	69,726	488,854	538,398	524,159	567,284	560,000	570,000
Bengal and North Western and Tirhoot	320,600						
Bengal Central	74,047	76,110	78,006	78,110	84,226	94,000	90,000
Oudh and Rohilkhand	734,471	879,286	845,934	898,055	1,105,338	980,000	1,000,000
Indian Midland	331,908	436,012	444,354	432,366	527,667	470,000	490,000
Bareilly-Pilibhit	9,954	1,991	—				
Lucknow-Sitapur-Seramau	33,729	—	23	76,662	98,727	82,000	83,200
Lucknow-Bareilly	7,356	56,314	69,469				
North Western	2,730,774	3,309,010	2,569,878	3,031,471	3,254,187	3,420,000	3,200,000
Amritsar-Pathankot	11,225	11,224					
South Indian	147,044						
Villupuram-Guntakal	1,995	725,984	797,602	781,522	831,320	900,000	920,000
Villupuram-Guntakal—Nellore Branch	24,260						
Mysore	122,768	134,356	151,225	159,574	146,404	160,000	160,000
Bezwada Extension	7,473	8,737	9,878	9,292	18,648	205,000	260,000
East Coast	—	—	—	75,055	158,933		
Bezwada Madras	—	—	—	—	—	—	6,500
Guntakal-Mysore Frontier	—	—	—	29,183	38,280	42,000	45,000
Mayavaram-Mutupet	—	—	—	—	21,179	24,800	27,100
Dhond and Manmad ‡	26,313	30,858	32,834	34,857	38,199	39,000	40,000
Southern Mahratta	457,136	477,303	463,116	576,958	593,923	655,000	655,000
Hyderabad-Shadipalli	—	—	6,409	14,253	14,642	16,000	14,000
TOTAL	13,703,224	16,411,934	15,814,807	16,879,106	18,152,155	18,375,100	18,322,100

* The South Indian Railway, 654½ miles, was purchased by the State on 1st January 1891, and the mileage is shown under State Railways.
† Includes the length of the South Indian and Bengal and North Western Railways.
‡ The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receive a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE V.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,484,563	1,643,008	1,607,100	1,564,367	1,758,964	1,850,000	1,770,000
Nalhati	7,832	4,818	—				
Patna-Gya	23,739	25,983	12,303				
Rajputana-Malwa	926,066	1,087,885	1,018,701	1,077,782	1,159,520	1,152,500	1,150,000
Godhra-Ratlam	—	—	—	2,998			
Bhopal	10,434	8,228	9,670	11,712	10,018	9,700	10,000
Palanpur-Deesa	—	—	—	568	2,780	2,900	2,900
Warora Colliery	64,772	43,149	50,674	56,683	48,099	40,500	43,000
Wardha Coal		19,952	19,889	12,164	13,095	11,600	12,000
Bengal-Nagpur	234,881	303,037	309,681	329,705	334,855	330,000	335,000
Bilaspur-Etawah	—	—	1,321	—	—	—	—
Umaria Colliery	23,681	25,976	33,179	34,277	40,041	40,000	42,500
Burma	207,845	228,128	351,915	365,924	350,344	340,000	347,000
Tounghoo-Mandalay	108,278	110,167					
Mu Valley	—	12,039	54,010	55,342	50,354	60,000	68,000
Assam-Bengal	—	—	—	—	—	35,000	80,000
Jorhat	5,797	6,090	5,495	5,658	5,913	7,300	8,200
Cherra-Companyganj	1,917	1,909	1,750	1,975	2,046	2,100	2,400
Eastern Bengal	542,205	626,279	561,629	542,513	572,185	567,500	567,500
Tirhoot	31,093	2,216	395,397	389,490	411,373	445,000	415,000
Bengal and North Western and Tirhoot	131,952	415,490					
Bengal Central	49,263	57,001	53,808	55,114	58,282	66,000	63,000
Oudh and Rohilkhand	350,043	381,473	368,691	377,963	482,205	500,000	500,000
Indian Midland	254,146	267,555	292,086	285,654	300,423	287,800	283,200
Bareilly-Pilibhit	7,893	—	—	47,921	60,199	51,500	51,500
Lucknow-Sitapur-Scramau	23,529	—	—				
Lucknow-Bareilly	4,428	33,108	42,737				
North Western	1,749,515	1,953,535	1,811,838	1,908,197	1,903,434	1,915,000	1,910,000
South Indian	70,577	497,698	507,014	490,754	493,469	538,000	550,000
Villupuram-Guntakal	1,344						
Villupuram-Guntakal—Nellore Branch	17,149						
Mysore	96,446	102,932	98,812	122,894	109,151	113,000	111,000
Bezwada Extension	5,837	5,828	7,038	7,441	9,974	165,000	180,000
East Coast	—	—	—	59,599	132,706		
Bezwada-Madras	—	—	—	—	—	—	4,300
Guntakal-Mysore Frontier	—	—	—	17,411	24,794	26,000	26,500
Mayavaram-Mutupet	—	—	—	—	13,074	15,400	16,800
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	336,715	350,996	323,709	428,462	433,013	450,000	450,000
Hyderabad-Shadipalli	—	—	6,421	11,407	10,729	11,900	11,000
TOTAL	6,771,940	8,214,480	7,944,868	8,263,975	8,791,031	9,033,700	9,010,800
Net Traffic Receipts.							
East Indian	2,943,932	3,314,624	3,281,769	3,558,539	3,489,561	3,650,400	3,670,400
Nalhati	2,176	4,418	—				
Patna-Gya	28,010	34,788	16,347				
Rajputana-Malwa	925,039	1,117,231	1,228,891	1,229,839	1,353,604	1,157,500	1,200,000
Godhra-Ratlam	—	—	—	4,398			
Bhopal	—1,657	4,861	5,640	5,204	6,145	4,500	7,000
Palanpur-Deesa	—	—	—	890	1,081	1,000	1,100
Warora Colliery	26,158	11,276	3,733	—536	3,856	13,000	13,000
Wardha Coal		5,945	3,410	8,922	8,929	7,600	8,000
Bengal-Nagpur	84,510	334,280	293,578	351,185	344,359	315,000	345,000
Bilaspur-Etawah	—	—	—1,321	—	—	—	—
Umaria Colliery	10,298	2,020	3,345	2,937	1,982	1,000	5,500
Burma	168,833	177,910	343,257	253,085	245,200	325,000	343,000
Tounghoo-Mandalay	85,032	99,861					
Mu Valley	—	1,575	—30,856	—27,266	—18,063	—25,000	—23,000
Assam-Bengal	—	—	—	—	—	5,000	20,000
Jorhat	401	311	1,146	1,435	1,444	500	—
Cherra-Companyganj	—204	44	96	323	442	200	300
Eastern Bengal	677,907	520,104	621,326	706,968	866,444	822,500	732,500
Tirhoot	38,633	—2,216	143,001	134,669	155,911	115,000	155,000
Bengal and North Western and Tirhoot	188,648	73,364					
Bengal Central	24,784	19,109	24,198	22,996	25,944	28,000	27,000
Oudh and Rohilkhand	384,428	497,813	477,243	520,092	623,133	480,000	500,000
Indian Midland	77,762	168,457	152,268	146,712	227,244	182,200	206,800
Bareilly-Pilibhit	2,061	1,991	—	28,741	38,528	30,500	31,700
Lucknow-Sitapur-Seramau	10,200	—	23				
Lucknow-Bareilly	2,928	23,206	26,732				
North Western	981,259	1,355,475	758,040	1,123,274	1,350,753	1,505,000	1,290,000
Amritsar-Pathankot	11,225	11,224					
South Indian	76,467	228,286	290,588	290,768	337,851	362,000	370,000
Villupuram-Guntakal	651						
Villupuram-Guntakal—Nellore Branch	7,111						
Mysore	26,322	31,423	52,413	36,680	37,253	47,000	49,000
Bezwada Extension	1,636	2,909	2,840	1,851	8,674	40,000	80,000
East Coast	—	—	—	15,456	26,227		
Bezwada-Madras	—	—	—	—	—	—	2,200
Guntakal-Mysore Frontier	—	—	—	11,772	13,486	16,000	18,500
Mayavaram-Mutupet	—	—	—	—	8,105	9,400	10,300
Dhond and Manmad	26,313	30,858	32,834	34,857	38,199	39,000	40,000
Southern Mahratta	120,421	126,307	139,407	148,496	160,910	205,000	205,000
Hyderabad-Shadipalli	—	—	— 12	2,846	3,922	4,100	3,000
TOTAL	6,931,284	8,197,454	7,869,939	8,615,131	9,361,124	9,341,400	9,311,300

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receive a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE VI.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS, of IRRIGATION—MAJOR WORKS, for Five Years ending 1894–95, with REVISED ESTIMATES for 1895–96, and BUDGET ESTIMATES for 1896–97.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.	1896–97.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	34,501	37,100	49,766	37,657	33,307	32,800	34,500
Midnapore Canal	23,720	28,470	28,018	30,494	29,468	27,700	24,000
Hijili Tidal Canal	2,804	3,692	5,346	5,920	5,853	6,000	6,000
Sone Canals	73,648	91,009	105,637	93,191	83,776	78,500	85,500
Ganges Canal	248,974	261,685	248,145	251,757	254,969	159,800	260,000
Lower Ganges Canal	140,604	178,594	180,863	181,404	154,918	88,600	200,000
Agra Canal	61,390	60,100	54,280	49,042	63,901	47,400	70,500
Eastern Jumna Canal	83,255	81,294	77,536	95,758	89,581	70,100	89,000
Betwa Canal	7,455	10,229	8,547	7,392	5,912	3,000	9,500
Western Jumna Canal (including Sirsa Branch)	160,321	151,127	117,126	105,433	149,331	131,800	243,000
Chenab Canal	9,793	10,294	19,100	36,217	48,363	103,800	125,000
Bari Doab Canal	149,559	169,840	231,345	203,901	211,375	235,600	225,000
Sirhind Canal	168,523	201,595	243,032	108,665	96,053	134,600	225,000
Swat River Canal	25,048	20,369	28,922	25,599	27,503	24,500	23,000
Godavari Delta System	12,236	11,096	11,974	12,128	12,542	12,000	12,000
Kistna Delta System	5,047	4,831	5,299	5,084	5,374	5,000	4,800
Sangam Anicut System	127	74	91	68	54	100	100
Desert Canal	2,803	974	2,872	1,787	1,685	3,000	3,200
Begari Canal	2,836	1,435	2,961	2,993	2,665	3,000	3,400
Eastern Nara Works	2,206	2,044	2,025	2,090	2,302	2,500	2,300
Mutha Canals	21,881	24,756	22,520	25,128	23,582	24,000	31,400
Nira Canal	3,609	4,449	8,550	7,754	8,187	8,800	8,800
Other projects	44,343	49,680	56,775	60,223	59,886	61,700	57,700
TOTAL	1,284,683	1,404,737	1,510,730	1,349,685	1,370,587	1,265,200	1,743,700
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	66,446	69,008	71,559	71,559	71,559	71,600	71,600
Lower Ganges Canal	20,959	20,959	20,959	20,959	20,959	21,000	21,000
Eastern Jumna Canal	23,292	24,614	24,980	24,980	24,980	24,900	24,900
Western Jumna Canal	2,368	—	—	—	—	—	—
Chenab Canal	—	112	1,752	2,282	11,972	17,500	25,000
Bari Doab Canal	44,046	24,988	11,897	19,263	18,640	18,100	18,100
Godavari Delta System	204,703	215,151	222,382	217,899	226,102	229,100	278,100
Kistna Delta System	167,461	173,970	174,845	186,038	186,690	223,500	242,200
Sangam Anicut System	12,946	814	16,159	16,583	17,622	25,900	27,600
Desert Canal	12,854	1,458	8,969	2,707	10,449	8,800	9,100
Begari Canal	18,922	22,255	30,540	28,440	27,826	29,500	27,500
Eastern Nara Works	38,890	37,197	41,323	40,897	38,430	45,600	42,400
Mutha Canals	*—595*	*—718*	*—524*	*—713*	*—629*	—	—
Nira Canal	*—171*	*—213*	*—419*	*—381*	*—400*	—	—
Other projects	96,875	83,594	97,884	116,413	121,939	140,600	142,400
TOTAL	708,996	673,189	722,306	746,926	776,139	856,100	929,900
TOTAL REVENUE:							
Orissa Canals	34,501	37,100	49,766	37,657	33,307	32,800	34,500
Midnapore Canal	23,720	28,470	28,018	30,494	29,468	27,700	24,000
Hijili Tidal Canal	2,804	3,692	5,346	5,920	5,853	6,000	6,000
Sone Canals	73,648	91,009	105,637	93,191	83,776	78,500	85,500
Ganges Canal	315,420	330,693	319,704	323,316	326,528	231,400	331,600
Lower Ganges Canal	161,563	199,553	201,822	202,363	175,877	109,600	221,000
Agra Canal	61,390	60,100	54,280	49,042	63,901	47,400	70,500
Eastern Jumna Canal	106,547	105,908	102,516	120,738	114,561	95,000	113,900
Betwa Canal	7,455	10,229	8,547	7,392	5,912	3,000	9,500
Western Jumna Canal (including Sirsa Branch)	162,689	151,127	117,126	105,433	149,331	131,800	243,000
Chenab Canal	9,793	10,406	20,852	38,499	60,335	121,300	150,000
Bari Doab Canal	193,605	194,828	243,242	223,164	230,015	253,700	243,100
Sirhind Canal	168,523	201,595	243,032	108,665	96,053	134,600	225,000
Swat River Canal	25,048	20,369	28,922	25,599	27,503	24,500	23,000
Godavari Delta System	216,939	226,247	234,356	230,027	238,644	241,100	290,100
Kistna Delta System	172,508	178,801	180,144	191,122	192,064	228,500	247,000
Sangam Anicut System	13,073	888	16,250	16,651	17,676	26,000	27,700
Desert Canal	15,657	2,432	11,841	4,494	12,134	11,800	12,300
Begari Canal	21,758	23,690	33,501	31,433	30,491	32,500	30,900
Eastern Nara Works	41,096	39,241	43,348	42,987	40,732	48,100	44,700
Mutha Canals	21,286	24,038	21,996	24,415	22,953	24,900	31,400
Nira Canal	3,438	4,236	8,131	7,373	7,787	8,800	8,800
Other projects	141,218	133,274	154,659	176,636	181,825	202,300	200,100
TOTAL	1,993,679	2,077,926	2,233,036	2,096,611	2,146,726	2,121,300	2,673,600

APPENDIX II.—*continued.*

TABLE VI.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS of IRRIGATION, &c.—*continued.*

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
WORKING EXPENSES:							
Orissa Canals	43,946	39,609	47,551	50,660	45,654	42,800	49,400
Midnapore Canal	19,925	25,733	18,658	20,123	21,630	28,800	30,400
Hijili Tidal Canal	5,197	4,867	3,177	5,422	4,548	6,300	5,000
Sone Canals	66,059	65,208	70,148	69,313	65,465	57,100	61,700
Ganges Canal	104,495	104,938	105,922	106,446	103,086	87,000	101,200
Lower Ganges Canal	88,981	84,774	83,174	80,401	78,520	73,500	72,800
Agra Canal	23,225	23,839	24,591	25,562	25,121	21,000	21,700
Eastern Jumna Canal	29,804	28,439	30,127	32,320	31,260	27,400	28,500
Betwa Canal	10,534	9,795	10,138	9,936	8,999	9,600	9,300
Western Jumna Canal (including Sirsa Branch)	56,050	48,207	49,092	61,307	66,604	72,200	73,000
Chenab Canal	8,951	10,724	25,327	30,911	43,190	41,600	48,500
Bari Doab Canal	56,593	72,424	67,691	56,009	62,499	63,000	60,000
Sirhind Canal	58,600	54,948	65,485	58,242	55,172	60,700	64,500
Swat River Canal	10,247	9,579	9,388	8,815	8,296	7,700	6,500
Godavari Delta System	56,050	51,569	54,694	46,490	48,759	48,500	53,000
Kistna Delta System	38,576	42,038	42,535	46,750	41,621	57,900	52,600
Sangam Anicut System	5,213	3,569	4,434	4,133	3,572	4,200	4,300
Desert Canal	3,715	11,152	9,422	8,525	11,570	4,200	4,000
Begari Canal	6,052	6,314	3,715	2,686	3,452	7,200	9,000
Eastern Nara Works	9,375	8,277	10,194	9,981	12,605	8,700	7,700
Mutha Canals	7,085	7,333	7,977	6,021	7,177	6,700	7,000
Nira Canal	2,734	3,882	5,175	5,491	4,658	4,400	5,100
Other projects	47,006	44,227	45,336	43,413	46,301	50,900	45,500
TOTAL	758,413	761,445	793,951	788,957	799,759	791,400	820,700
NET REVENUE:							
Orissa Canals	*—9,445*	*—2,509*	2,215	*—13,003*	*—12,347*	*—10,000*	*—14,900*
Midnapore Canal	3,795	2,737	9,360	10,371	7,838	*—1,100*	*—6,400*
Hijili Tidal Canal	*—2,393*	*—1,175*	2,169	498	1,305	*—500*	1,000
Sone Canals	7,589	25,801	35,489	23,878	18,311	21,400	23,800
Ganges Canal	210,925	225,755	213,782	216,870	223,442	144,400	230,400
Lower Ganges Canal	72,582	114,779	118,648	121,962	97,357	36,100	148,200
Agra Canal	38,165	36,261	29,689	23,480	38,780	26,400	48,800
Eastern Jumna Canal	76,743	77,469	72,389	88,418	83,301	67,600	85,400
Betwa Canal	*—3,079*	434	*—1,591*	*—2,544*	*—3,087*	*—6,600*	200
Western Jumna Canal (including Sirsa Branch)	106,639	102,920	68,034	44,126	82,727	59,600	170,000
Chenab Canal	842	*—318*	*—4,475*	7,588	17,145	79,700	101,500
Bari Doab Canal	137,012	122,404	175,551	167,155	167,516	190,700	183,100
Sirhind Canal	109,923	146,647	177,547	50,423	40,881	73,900	160,500
Swat River Canal	14,801	10,790	19,534	16,784	19,207	16,800	16,500
Godavari Delta System	160,889	174,678	179,662	183,537	189,885	192,600	237,100
Kistna Delta System	133,932	136,763	137,609	144,372	150,443	170,600	194,400
Sangam Anicut System	7,860	*—2,681*	11,816	12,518	14,104	21,800	23,400
Desert Canal	11,942	*—8,720*	2,419	*—4,031*	564	7,600	8,300
Begari Canal	15,706	17,376	29,786	28,747	27,039	25,300	21,900
Eastern Nara Works	31,721	30,964	33,154	33,006	28,127	39,400	37,000
Mutha Canals	14,201	16,705	14,019	18,394	15,776	18,200	24,400
Nira Canal	704	354	2,956	1,882	3,129	4,400	3,700
Other projects	94,212	89,047	109,323	133,223	135,524	151,400	154,600
TOTAL	1,235,266	1,316,481	1,430,085	1,307,654	1,346,967	1,329,900	1,852,900

APPENDIX II.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE VII.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1895-96 and 1896-97.

RAILWAYS.	AMOUNT IN RUPEES. 1895-96. Budget.	1895-96. Revised.	Budget, 1896-97.	AMOUNT OF EXCHANGE. 1895-96. Budget.	1895-96. Revised.	Budget, 1896-97.	AMOUNT IN POUNDS STERLING. 1895-96. Budget.	1895-96. Revised.	Budget, 1896-97.
GUARANTEED RAILWAYS.									
RECEIPTS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
Madras	25,00,000	25,00,000	26,00,000	2,08,000	2,08,000	2,17,000	229,200	229,200	238,300
Bombay, Baroda, and Central India	30,50,000	41,00,000	36,75,000	2,54,000	3,42,000	3,06,000	279,600	375,800	336,900
Great Indian Peninsula	69,00,000	63,00,000	66,50,000	5,75,000	5,25,000	5,54,000	632,500	577,500	609,600
TOTAL	1,24,50,000	1,29,00,000	1,29,25,000	10,37,000	10,75,000	10,77,000	1,141,300	1,182,500	1,184,800
ADVANCES.									
Madras	24,00,000	21,00,000	23,00,000	2,00,000	1,75,000	1,92,000	220,000	192,500	210,800
Bombay, Baroda, and Central India	35,00,000	43,00,000	45,75,000	2,92,000	3,58,000	3,81,000	320,800	394,200	419,400
Great Indian Peninsula	43,80,000	40,00,000	45,00,000	3,65,000	3,33,000	3,75,000	401,500	366,700	412,500
TOTAL	1,02,80,000	1,04,00,000	1,13,75,000	8,57,000	8,66,000	9,48,000	942,300	953,400	1,042,700
NET RECEIPTS.									
Madras	1,00,000	4,00,000	3,00,000	8,000	33,000	25,000	9,200	36,700	27,500
Bombay, Baroda, and Central India	—4,50,000	—2,00,000	—9,00,000	—38,000	—16,000	—75,000	—41,200	—18,400	—82,500
Great Indian Peninsula	25,20,000	23,00,000	21,50,000	2,10,000	1,92,000	1,79,000	231,000	210,800	197,100
TOTAL	21,70,000	25,00,000	15,50,000	1,80,000	2,09,000	1,29,000	199,000	229,100	142,100
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Ahmedabad-Parantij	-	-	10,00,000	7,00,000	-	-	-	-	100,000	70,000
South Behar	-	-	10,00,000	15,00,000	-	-	-	-	100,000	150,000
Gain on Remittances to India:									
Southern Mahratta	-	-	-	-	-	3,10,000	2,02,000	3,30,000	—31,000	—20,200	—33,000
Mysore	—	—	—	—	—	—	—	—	—	—	—
Assam-Bengal	-	-	-	-	-	-	—24,000	3,000	-	-	2,400	—300
Indian Midland	-	-	-	-	-	1,11,000	1,98,000	1,73,000	—11,100	—19,800	—17,300
Indian Midland—Extension	-	-	-	-	-	-	-	9,91,000	-	-	-	—99,100
Bengal Central	-	-	-	-	-	6,000	6,000	99,000	—600	—600	—9,900
Bengal-Nagpur	-	-	-	-	-	1,27,000	3,27,000	63,000	—12,700	—32,700	—6,300
Bengal-Nagpur—Extensions	-	-	-	-	-	-	-	16,58,000	-	-	-	—165,800
TOTAL	-	-	20,00,000	22,00,000	5,54,000	7,09,000	33,17,000	—55,400	129,100	—111,700
WITHDRAWALS IN INDIA.									
Southern Mahratta	—1,12,000	—1,23,000	—69,000	—19,000	—20,000	—12,000	—9,300	—10,300	—5,700
Mysore	2,50,000	2,00,000	2,50,000	62,000	50,000	62,000	18,800	15,000	18,800
Assam-Bengal	60,59,000	66,30,000	23,77,000	27,54,000	30,13,000	10,15,000	330,500	361,700	136,200
Indian Midland	—2,25,000	—2,72,000	5,00,000	—45,000	—54,000	1,00,000	—18,000	—21,800	40,000
Indian Midland—Extension	-	-	3,00,000	40,00,000	-	-	60,000	8,00,000	-	-	24,000	320,000
Bengal Central	63,000	20,000	50,000	16,000	5,000	12,000	4,700	1,500	3,800
Bengal-Nagpur	1,26,000	6,14,000	8,58,000	29,000	1,42,000	1,98,000	9,700	47,200	66,000
Bengal-Nagpur—Extensions	-	-	7,36,000	75,00,000	-	-	1,70,000	17,31,000	-	-	56,600	576,900
Lucknow-Bareilly	40,000	2,50,000	1,77,000	-	-	1,12,000	76,000	4,000	13,800	10,100
Ahmedabad-Parantij	-	-	3,25,000	12,40,000	-	-	-	-	-	-	32,500	124,000
South Behar	-	-	75,000	24,00,000	-	-	-	-	-	-	7,500	240,000
TOTAL	62,01,000	87,55,000	1,92,83,000	27,97,000	34,78,000	39,82,000	340,400	527,700	1,530,100
Net Withdrawals	62,01,000	67,55,000	1,70,83,000	22,43,000	27,69,000	6,65,000	395,800	398,000	1,641,800
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	40,31,000	42,55,000	1,55,33,000	20,63,000	25,60,000	5,36,000	196,800	169,500	1,499,700

ABSTRACT of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict. c. 67, and 55 & 56 Vict. c. 14).

The Council met at Government House on Thursday, the 26th March 1896.

PRESENT:

His Excellency the Viceroy and Governor General of India, P.C., G.M.S.I., G.M.I.E., LL.D., *presiding*.
His Honour the Lieutenant Governor of Bengal, K.C.S.I.
The Honourable Sir A. E. Miller, K.T., C.S.I., Q.C.
The Honourable Lieutenant General Sir H. Brackenbury, K.C.B., K.C.S.I., R.A.
The Honourable Sir J. Westland, K.C.S.I.
The Honourable J. Woodburn, C.S.I.
The Honourable Alan Cadell, C.S.I.
The Honourable M. R. Ry. P. Ananda Charlu, Rai Bahádur.
The Honourable J. D. Rees, C.I.E.
The Honourable G. P. Glendinning.
The Honourable Nawab Amir-ud-Din Ahmad Khan, C.I.E., Bahádur, Fakharuddoulah, Chief of Loharu.
The Honourable Rao Sahib Balwant Rao Bhuskute.
The Honourable P. Playfair, C.I.E.

DISCUSSION ON THE FINANCIAL STATEMENT.

The Honourable Sir *James Westland*, in moving that the Financial Statement be taken into consideration, said :—"There are one or two subjects which are of some public interest and which were not referred to in that statement, but in regard to which I should like to take the opportunity of giving some explanation now. The first question to which I wish to allude is the reference which we made in the course of the past year to Commercial and Banking Institutions on the subject of the investment of the currency reserve. The proposal that we laid before them was that, whereas the currency reserve is now invested to the extent of eight crores, we should take legal powers to invest it up to the limit of ten crores. We furnished these bodies with statistics relating to the circulation, and we asked them their opinion as to the measure, and whether, in their opinion, it in any way diminished or endangered the perfect convertibility of the currency note. We have received answers from all the Chambers of Commerce and Presidency Banks, and I may say that there is not one of these bodies which calls in question the proposal to make this investment on the ground that it diminishes the security for the convertibility of the currency note. I may mention that, since these papers were circulated to the Banks and to the Chambers of Commerce, we have received even additional evidence of the security with which the proposed transactions can be carried out. It will perhaps be remembered that we drew up two statements showing the variation in the circulation. One of these statements was a statement, month by month, for some time past, of what we call the gross circulation of the currency notes. The other was a statement of what we call the net circulation. The difference between the gross and the net circulations in this case is that the gross circulation includes the currency notes which lie in our Reserve Treasury, and also the currency notes held by the Presidency Banks. These notes are certain to come to us for encashment sooner or later; we do not regard them as a permanent part of the currency circulation, and we ought not to regard them as such in discussing any question of the currency reserve. The net circulation is the balance which remains in the hands of the public generally.

"Now, since these papers were sent out, this gross circulation has very much diminished. It stood, if I remember rightly, at about 31½ crores when we sent out

out the statistics, but now the gross circulation has been reduced to something like 25 crores. That is to say, the demand for money which springs up every cold weather, and which sprang up this cold weather also, has so greatly reduced the amount held in the balance of the Reserve Treasury and in the Presidency Banks, that they have brought forward their notes for encashment, and by that means have reduced very largely—by something like 20 per cent. —what I have been defining as the gross circulation. But, notwithstanding this great change in the gross circulation, the net circulation, that is to say, the amount of notes which remains in the hands of the public, and which can be depended upon to a large extent to remain in the hands of the public, has increased by a small amount. When we consulted these bodies whom I have named, we based our proposals entirely upon the statistics of the net circulation, and rightly so, so far as I can see. The evidence that this circumstance has given to us—the circumstance, namely, of the great diminution of the gross circulation, entirely unaccompanied by any diminution in the net circulation—adds considerable strength to the argument that we can increase our currency investment from eight to 10 crores without the slightest danger to the convertibility of the note.

"The only objection that has been raised to the proposal which we made was that we might to some extent endanger our currency policy, that is to say, our rupee currency policy, by throwing on the market two crores of rupees. These two crores of rupees would hardly be thrown upon the market in the sense of being suddenly put upon the market, but ultimately and after a long series of intermediate transactions the circulation of rupees in the country would be two crores more than it would otherwise be. Now, this is obviously a theoretical objection, and it is based upon theoretical grounds. I am not prepared to discuss these theoretical grounds now, because it is very difficult indeed to say how far the total amount of the rupee currency in circulation affects the exchange value of the rupee, and I do not wish to discuss a difficult and dangerous question of that kind. But I am a little doubtful whether, in discussing the question of the investment of the currency reserve, we are at liberty to look at outside considerations of that kind. Of this I am confident, that we are not entitled to use the currency reserve for any purpose of producing a certain effect upon the exchange value of the rupee. No person would for a moment allow that, if we did that, we would be acting within our duty. It is for the same reason arguable that, when a measure affecting the currency reserve is proposed, from the point of view of the currency-reserve pure and simple, we ought not, perhaps, to allow ourselves to be influenced by the possible effect which a measure desirable from a currency-reserve point of view may have upon the exchange value of the rupee. However, these are all questions which will no doubt be argued out before the measure which we propose takes any actual form. What I wish to state at present for the information of the Council is what the Government intend to do with regard to the proposal generally. In the first place, we shall publish in the "Government Gazette," for general information, the opinions that we have received upon the subject. We shall also communicate them to the Secretary of State for his information, with a view to any suggestions or orders that he may desire to give. If he sanctions our proposals, it is possible that we may bring forward a legislative measure for carrying them out, but that will not be done until next cold weather; that is to say, that we shall not make any proposals of this kind during the session at Simla, where we do not receive the assistance of our commercial colleagues.

"The other matter to which I desire to make reference was a communication made to me by merchants at Rangoon during my visit to that place. It is a matter which I considered partly at that time and afterwards in Calcutta. The merchants of Rangoon had two requests to make—first, that the Secretary of State might draw his Council Bills upon Rangoon as well as upon Calcutta and Bombay. This is a question which has been before the Government at various times during the past few years, but the Government has never seen its way to allow any drawings of Council Bills on Rangoon. There is more than one reason for this. The drafts of the Secretary of State come at present, for example, to about 60 lakhs a week. If we were to allow the Secretary of State to draw upon Rangoon, it is obvious that we ought to be prepared at any

moment to pay 60 lakhs at Rangoon. It is easy for us, at centres like Bombay and Calcutta, to provide ourselves with as large an amount of money as may at any time be necessary to meet the Council Bills of the Secretary of State; but, if we were obliged to provide money for that purpose at Rangoon also, it would make far too serious an inroad upon our cash balances, and we would be able only with great difficulty, and not even so at some times of the year, to provide the necessary funds to meet such Council Bills as might be drawn on Rangoon. I may also point out that the Exchange Banks, through whom most of these Council Bills are passed, are exactly in the same position and circumstances as ourselves. It does not pay them to keep money lying at Rangoon waiting the demands of the merchants. They prefer financing Rangoon entirely from Calcutta. Even if we were to allow Council Bills to be drawn upon Rangoon, the chances are that the Banks through whom they almost entirely pass would prefer drawing upon Calcutta and holding their funds there; because in that case the same amount of reserve held in their hands would be available both for the demands made upon them at Calcutta and those made at Rangoon. We have an exact example of this in the Secretary of State's drawings at Madras. The Secretary of State may draw on Madras—and he does so to a small extent—but, as a matter of fact, the commerce of Madras is financed almost entirely through Calcutta and Bombay. The Banks prefer having their money at these big centres, and sending it thence, from time to time, to where it is actually wanted. I do not think, therefore, in the first place that it would be possible, or desirable, that the Secretary of State should draw upon Rangoon, nor, should he determine to draw upon Rangoon, that much advantage would be taken of the permission by the Exchange Banks.

"The other matter which was brought forward by the same merchants at Rangoon was their demand that the large sums of money, which through currency and commercial operations become available in our hands at Rangoon at the beginning of every cold weather, should be made available for the rice trade at Burma, not only as at present through the Bank of Bengal, but to the merchants directly. Our present practice is to make an arrangement with the Bank of Bengal that we should hold this money at their disposal, and make it available to them at a premium of four annas per cent. The Exchange Banks, I believe, pay another anna per cent. to the Bank of Bengal, and by this means and by any necessary cash remittances made by the Bank of Bengal the whole of the Burma rice trade is financed. The desire of the merchants was that, instead of making this money available through the Bank of Bengal only, we should throw it open to tender in the same way as the Secretary of State throws open his Council Bills to tender; and the merchants think that by this means they will get rid of part of the present banking charges which they consider fall very heavily upon them. Now it may be impertinent in me to pretend to know more about the business of the merchants of Rangoon then they do themselves, but I confess I have some doubts that, when bills are made available in this way, the merchants will be able in any way either to reduce their banking and remitting charges or to compete with the Banks for these remittances. However, I perfectly admit that my opinion on this subject is not sufficient to warrant me in withholding from them the permission they ask for, to tender for the Bills in competition with the Bank of Bengal.

"I have therefore made an arrangement, and I have communicated it to the Rangoon merchants, that next season we shall advertise at the proper time the amount of funds that we have available at Rangoon, and we shall call for tenders for the available amount of money. These tenders can be made either by the Bank of Bengal or by the Exchange Banks or by the merchants direct. That is what the merchants have asked for, and it remains to be seen whether the plan will suit the circumstances of the trade. I myself feel a little doubtful as to whether the merchants will in the end find it profitable to take all these banking transactions upon their own shoulders, but that is a matter for them to consider for themselves. At present even Exchange Banks are unwilling to take upon themselves this burden of keeping money lying idle at Rangoon. They prefer to keep the money here till it is actually wanted at Rangoon, and when it is wanted they can depend upon its being made available through the present system. That is in my opinion the cheapest and most practical system; but, as I have said, I have not the slightest objection to allowing the merchants

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of Rangoon to attempt the system of direct tender if they find that it suits them better.

"I thought it desirable to give a public explanation on these two matters, because they are matters in which the commercial public have generally some interest. I did not think it worth while to enter upon these subjects in the Financial Statement, and therefore I have taken this opportunity of making the explanations which I have to give the public on the matter."

The Honourable Mr. *Playfair* said: "My Lord, the Financial Statement before your Excellency's Council again testifies to the buoyancy and elasticity of the Indian revenue, and it does more, for it manifests in a most satisfactory manner the result of the perseverance in economy which has distinguished your Excellency's administration.

"My Lord, I have little to add to my congratulations to the honourable Member for Finance that under his guidance the country has emerged from the transition period he was forced to proclaim two years ago, and that he is able to state in paragraph 10 of the Financial Statement that he has paid for the Chitral Expedition, restored the Famine Insurance Grant, recouped the contributions levied in 1894–95 from the Provincial Governments, and has a surplus over and above, approximating to a crore of rupees. Unless the value of the rupee again and suddenly alters for the worse and the country is called upon to meet some unforeseen calamity, it is apparent that the surplus of the current year should be considerably larger than the estimate of Rx. 463,000 taken in the Budget. I therefore look forward with most concern to 'l'embarrass des richesses' as likely to invite demands upon the Member for Finance from many directions as the year advances and as the surplus accumulates. I have lately expressed the hope, in this Council and elsewhere, that the Government of India will take into earnest consideration those commercial wants of the Empire to attend fully to which it has not had either leisure or opportunity during the recent periods of war and poverty. I would specially refer to the competition from other countries with which the produce and trade of India is now beset, and to the effect which existing inland transport charges, and especially railway rates, have to restrict traffic. I hope that these important questions will not be forgotten when Government comes to deal with the surplus balances of the year. I do not propose to enlarge upon this question on the present occasion. I hope it may be presented by the commercial community more fully for the deliberate consideration of your Excellency's Government than time at present would permit. In this connection it is encouraging to learn that the Budget contains provision for a more extensive railway programme than India has known for many years. And, while I heartily congratulate the Government on this advance, I would express the hope that more liberal encouragement may attract the private resources of the country and of investors in Europe to the development of the system of communication by the construction of feeder railways and tramways throughout the country.

"Another most satisfactory feature in this Budget is the savings that have been effected under the ordinary army expenditure, amounting to Rx. 462;000. Two years ago the Council listened with keen interest to a carefully prepared and business-like explanation given by the honourable and gallant Military Member of Council with regard to the army expenditure. I may venture to assure the honourable Member that any additional information he can give the public, especially as to whether the Chitral outpost may create a demand for special defence works, will be received with lively interest. Such an explanation, made on the eve of his retirement, an event which is regarded with general regret, would be at this juncture of very great importance.

"Turning to the question of income, it is a matter of anxiety, which I am glad to find the Government of India share with the public, that the opium crop continues to yield very much below the quantity gathered during previous years. The total income from this source has fallen from Rx. 8,451,185 in 1880–81 to Rx. 4,979,800 in 1894–95. The decline has been attributed to unfavourable seasons, but it has not been shown that the same influence has affected other crops in like manner. I would invite the Member for Finance to say whether experience satisfies him that the rise in price paid to the cultivators he announced a year ago has been sufficient to secure the more general cultivation of the crop, and whether it would not be advisable to offer a still

further advance to the cultivator to ensure a supply to replenish stocks and bring them up to the requirements of the demand. I would also like to inquire whether the attention of the Government of India has been directed to the remarks appearing in the reports of the British Consuls in China upon the increased adulteration by the Chinese of Indian opium with Tientsin cake, Sesamum seed cake, and other compounds, to the prejudice of the reputation of the Indian drug, before it reaches the consumer, and whether the Government will endeavour to induce the officials in China to protect the Indian trade against this pernicious practice.

"It would also be of interest should the Minister for Finance find himself able to state at what rate of interest he intends raising the new rupee loan of Rx. 4,000,000, contemplated in paragraph 178 of the Statement. With regard to the remark that the minimum cash balance required by the Government of India over all the Treasuries in India is between eight and nine crores, I desire to inquire whether, in view of the increased balances of the savings banks, estimated in the Budget of 1896-97 to amount to Rx. 11,862,618, it is not necessary, in the opinion of the Government of India, to retain rather a higher balance in cash than formerly.

"A reply to this question, in view of the remarks that have fallen from the honourable Member in connection with the proposed increase of the paper currency reserve, would, I think, be of interest to many. Without entering upon the question raised by the honourable Member, I would desire to say that the mercantile community have every appreciation for the seven lakhs saving in interest that his scheme is designed to afford. When the reserve was raised in 1889-90 from six to eight crores of Government paper, the savings bank balances were, if my memory serves me right, about seven crores. These balances will stand, according to the estimate in the Budget of 1896-97, at something like Rs. 11½ crores, and, as I have remarked, it will be of interest if the honourable Member is able to give a reply to the question I have put."

The Honourable *Rao Sahib Balwant Rao Bhuskute* said: "My Lord, the Financial Statement is certainly an unmixed gratification for which we were not altogether unprepared. Yet our anticipations were mere conjectures. They have been agreeably realised, and the Government of India must be warmly congratulated on the prosperity Budget which the Honourable Sir James Westland has been able to place before the Council for their consideration. Two years ago, when our troubles seemed to be at the worst, nobody could have ventured to hope that the Government of India would have been able to tide over their difficulties so successfully as they have done, and your Excellency's Government will receive the congratulations of the country on this happy result. Both the actuals of 1894 and the revised estimates of 1895 have turned out better than were anticipated, and we can now count upon a surplus in the past year's accounts, as also in those of the opening year, with great confidence. The public will now have their anxieties allayed. A surplus means an implied pledge that public burdens will at least not be augmented if not lightened.

"It is in this connection that the honourable Member for Finance deserves especial felicitations. He took office under the most unfavourable circumstances. An evil star seemed to haunt him. Some nine years ago, when he was in temporary charge of the Finance Department, he was forced to have recourse to the extreme necessities of taxation. It was necessitated by the annexation of Northern Burma, the increase of the army expenditure, the military expenditure on the North Western frontier, and by the rapid fall of exchange. Some three years ago, when the portfolio of Finance was made over to him, the circumstances were equally unfavourable. Talents, which could pre-eminently have relieved the public at large of onerous duties by an inborn mastery over financial problems, were thus employed in struggling with a crisis threatening bankruptcy. Better days appear to smile on him and on your Excellency's Government.

"But to what are we to attribute the present occasion for rejoicing? When this question comes to our mind we find ourselves again left to mere chance and frailty. The opium revenue and the rise in exchange underlie this prosperous outlook.

"The great Roman jurist Paulus had laid down that 'money circulates with a power which it derives not from its substance but from the quantity.' This

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view has not been contradicted to the present day. This is the principle of the Barbour scheme and it has admirably succeeded. Other circumstances too contributed to its success. Chitral has probably caused a large amount of money to be directed towards itself. Payments on account of railways under construction must have likewise caused a great absorption. The closing of the mints successfully operated on raising the market value of the rupee. Thus a rise in the exchange is due to exceptional circumstances.

"The Chitral expedition is probably, at least we all pray, the last of the projects of our Supreme Government for pushing their conquests in the North-West. Further circulation of money is therefore retarded. Crops in the North-Western Provinces and in some parts of the Central Provinces are fearfully bad. There will be less advances made than in the preceding year. Doubtless the whole basis of the Budget is the state of exchange. The Finance Member is aware of the difficulties, and hence the caution which characterises his Budget (paragraph 31 at Part I of the Statement).

"The vagaries of exchange are almost certain in future. The present triumph is by no means final. To prevent importations of silver a further augmentation of the duty will be necessary. During the last week the exchange was as low as 14½*d*. And even while the honourable Member was speaking a further fall had taken place.

"The exchange, therefore, my Lord, is not an unfailing indication of the improvement of our financial situation. Our surplus or deficit or equilibrium is solely guided by it. Suppose the rupee had fallen to 13*d*., what would our position have been? With public works stopped and progress starved it would have been a paramount necessity to find out some means of escape. Whatever it be, there are chances enough that exchange may rise, and we all wish it would.

"The other main advantage accruing to the Government during the past year and contributing enormously to the present situation comes from opium. During the past ten years, as I shall show later on, the opium revenue has gone far lower than what it was during the ten years immediately preceding. This item of revenue, though conspicuous some particular year, is as frail as the exchange. A due allowance has even in this case been made for this unstable nature of the revenue. Here we find another proof of the cautiousness of the Finance Minister.

"There are, however, reasons to hope for a time when budgets can be taken for a true forecast of the year. The financial administration will be free from that anxiety which has harassed it during the last decade of years, if an effective control were exercised on it. Without it we cannot be said to have made any progress.

"In adverting to the means of control, I wish to make it clear that I am duly aware of the heavy work of this day. I shall therefore abridge my remarks as much as possible. A non-official native member is said to be waiting for this one day in a year to expend his ire. This is a gross injustice to him. Ire he has none, and if he has it he has other times and places to expend it. This is in my opinion a sacred place where we are bound in duty to place before your Excellency such arguments as may conduce to the best interests of the millions whose destinies your Excellency has been called upon to rule. Making light therefore of the insinuations of others, I hasten to offer my remarks. But before proceeding to my task I must state I am no expert in statistics, and the figures I shall quote are taken from an authority at least satisfactory to me.

"The Budget is very reticent with regard to the means of economy either actual or prospective. The Government has during these twelve years endeavoured to meet its extra demands with peculiar indifference to expenditure and revenue. Among the financial expedients resorted to by Government the principal ones are—the frequent curtailment or even suspensions of the Famine Insurance Fund; absorption of the provincial resources and balances; suspensions of useful administrative reforms and expenditure; and taxation. I shall speak of each of these and say how the Budget deals with it.

"(1) *The Famine Insurance Fund, otherwise called the Famine Insurance Grant.*—During the past twelve years the grant appears to have been five times suspended and twice curtailed. The Government could not have done a better thing than taking advantage of the present prosperity to reconstitute the

Famine Grant on its own basis. That grant was a sacred trust which ought never to have been diverted to other purposes. It is no use complaining of the past, and, in view of the uncertain character of the present season, after the long spent impunity we have enjoyed, the country will breathe more freely when it learns authoritatively that your Excellency's Government is prepared to accept the pledges so solemnly given when the fund was first constituted. The Honourable Sir James Westland gives reasons to justify the resolutions of the Government of India to reduce this provision for famine from a crore and a half rupees to one crore. The propriety of the policy which is now announced of reducing this grant by one-third of the amount fixed by Sir John Strachey and Lord Lytton may be questioned, considering that during the last fifteen years the total sums spent on various accounts under this head represent an average expenditure representing one crore and sixteen lakhs. Even if the reasons assigned by Sir James Westland be as cogent as they are represented to be, the further question arises whether this reduction of the grant does not require the Government of India that they should remit those special taxes which were imposed for this special purpose when famine insurance was accepted as a State obligation by the Government of India. Sir James Westland's remarks throw no light on this head, although it is a matter on which the provinces affected by this special taxation will naturally claim immediate consideration at the hands of the Government of India.

"(2) *The provincial resources and balances.*—Besides reconstituting the Famine Insurance Fund on partial footing, the Government of India has been able, chiefly by reason of rise in exchange, out of its realised surplus of nearly three and a half crores in the revised estimates of the present year, to pay off the whole of the Chitral expenditure of nearly two crores and to return back to the Provincial Government forty lakhs of the balances withdrawn from them two years ago. This latter feature will not fail to inspire greater confidence in the binding force of the provincial contracts—an arrangement entered into from time to time by the Government of India with the various Local Governments. The appropriation of these balances, during the term of the contracts, has always a very prejudicial effect, and as it now turns out there was no necessity for such interference with existing arrangements. It is to be hoped that, when the next five years' contracts are entered into, guarantees may be given that recourse will not be had to such interference. It necessarily tends to unsettle provincial arrangements.

"Towards the conclusion of the first part of his statement, the honourable Finance Minister, with his usual ability and clearness, discusses the question how far provincial revenues are appropriated to provincial purposes, and how far they are diverted to supplement imperial revenues appropriated mainly to imperial charges. His position is that, taking the distributable and non-distributable items of revenue and expenditure, the claims of the provincial administration are not unduly sacrificed to subserve imperial purposes. He estimates that the non-distributable items of revenue, including opium, salt, customs, post, telegraph, mint, miscellaneous, and railways, come to about 28 crores, and the contributions by the provinces from their net receipts come to about 21 crores, making about 50 crores, which represent the non-provincial items of expenditure on the central administration, the army, interest, and famine insurance charges spent in India, making a total of 22 crores, and the English charges, army, interest, superannuation allowances, and other items, which with exchange come to about 28 crores. In other words, the imperial charges are about 50 crores and the receipts about 28 crores. The deficit is made up by 22 crores contributed out of their surplus revenues by the provinces. While the imperial revenues are thus short of imperial charges by 22 crores, the provincial revenues under distributive heads are 48 crores and the provincial charges are 26. The representation is perfectly correct as far as it goes, though it does not cover the whole field of Indian finances. It moreover fails to take account of the main grounds on which the complaint made by the provinces really rests.

"This complaint is not, as the honourable Member puts it, that each province thinks the richer provinces have a surplus which they are made to disgorge for the poorer provinces, but that under the present arrangements the poorer provinces are made to contribute more than their proper shares in order that the richer provinces might not be taxed their full share of the Imperial contribution.

contribution. On the basis of the figures furnished in the Financial Statement I have tried to prepare statements which bring out this fact more clearly than what I could actually describe:—

Prepared from the Finance Revenue Account, page 24, and from the Financial Statement.

TABLE showing the Incidence of Taxation per Head in the different Provinces.

Provinces.	Total.	Land.	Salt.	Excise.	Customs.	Other heads.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
Central Provinces -	1 5 4	- 9 9	- 2 6	- 4 1½	—	- 3 9
Burma - - -	6 - 4	3 3 9	- 3 6	- 7 10	- 10 9	- 15 7
Assam - - -	2 2 3	1 1 9	- 2 4	- 7 10	—	- 4 1
Bengal - - -	1 5 5	- 8 9	- 3 9	- 2 9	- - 6	- 3 6
North Western Provinces and Oudh.	2 - 7	1 3 6	- 2 4	3 1 11	—	- 4 5
Punjab - -	2 3 3	1 2 3	- 3 -	- 1 7	—	- 5 4
Madras - - -	2 11 1	1 7 -	- 3 6	- 6 1	- - 3	- 5 9
Bombay - - -	4 3 5	2 5 10	- 4 11	- 9 4	- - 5	- 9 6

REVENUES.

	Imperial, in Crores.		Provincial, in Crores.
	Rs.		*Rs.*
Opium - - - - -	7	Land - - - - -	26
Salt - - - - - -	8½	Stamps - - - - -	4·5
Customs - - - - -	5	Excise - - - - -	5·5
Tributes from Native States -	·8	Provincial Rates - - -	3·5
Interest - - - - -	·8	Assessed Taxes - - - -	1·75
Post Office - - - -	1·6	Forest - - - - -	1·5
Telegraph - - - - -	1·3	Registration - - - -	·5
Mint - - - - - -	0	Civil Receipts - - - -	1·5
Miscellaneous - - - -	·5	Miscellaneous - - - -	5
Railways - - - - -	20	Railways - - - - -	1
Irrigation - - - - -	1·75	Irrigation - - - -	·75
Military Department - - -	·8	Buildings - - - -	·5
TOTAL - - -	48·15	TOTAL - - -	48·5

"It appears from these statements that, while in the rich Gangetic province of Bengal the land-revenue charged is only eight annas per head, it is as high as Rs. 2-6 in Bombay, and even in my poor province the charge is nearly 10 annas per head. Under Excise the same story is repeated. The total charged per head of distributive revenue in Bengal is Rs. 1-5-5, the same as in Central Provinces, while in Bombay it is as high as Rs. 4-3-5. It is this unequal distribution of burden involved in the present arrangement which is really the subject of complaint. The poorer provinces are taxed more than their capacities, while the richer provinces pay less than their shares. The charge of net revenue contributions made to the Imperial Government per head of population is 10 annas in Bengal, while it is Re. 1-6 in Bombay and Madras, Re. 1-3 annas in North Western Provinces and Oudh, and 14 annas in the Punjab.

"If the calculations partially made by the honourable Sir James Westland in his statement be extended on the same principles so as to cover all the expenditure and receipt, it would be found that, roughly speaking, out of 96 crores of rupees raised as revenue in India, the purely Imperial receipts (opium, salt, customs, tribute, interest, post, telegraph, mint, irrigation and railway works, miscellaneous) represent a total nearly of 48 crores, which is realised for the Imperial Government through the Local Governments or directly through its own agencies, while lands, stamps, excise, rates and taxes, forest, registration, civil and miscellaneous receipts, which may be regarded more or less Provincial, amount to another 48 crores. Out of these 48 crores the Local Governments are permitted to spend about 24 crores on their own responsibility under the system of Provincial contracts, and the remaining 24 crores are paid over to the Imperial Government, which spends 33 crores in England, 37 crores in India,

making in all nearly 70 crores. The remaining 26 crores are all that are really spent on Provincial purposes. If, instead of Imperial Government assigning at its own sweet will what it thinks a fair share in Provincial charges, the Local Governments were required to pay their fixed proportion on the principle of population or income, to supplement the Imperial receipts, a more healthy state of things would spring up than the present centralising arrangement permits, and all cause for local complaints will be removed.

"My Lord, I have only ventured to press these points upon the attention of the Council. The expected fall in exchange and the rise in the rupee price will, I am sure, establish better relations between income and expenditure and enable your Excellency's Government to remit the heavy additional taxation which has been imposed during the past few years to meet the crisis. When this time arises your Excellency's Government will no doubt weigh the claims of the people of India for relief, though these claims cannot for obvious reasons be pressed with the same urgency as those of the manufacturers of Lancashire, in whose interests the Council has already gone so far as circumstances require. Properly speaking, when the finances permitted reduction in taxation, the poor population of India should have been the first to feel the benefit of the remission. I hope when the next opportunity arises your Excellency's Government will redeem its word by granting this promised relief.

"*Administrative Reforms and useful Expenditure.*—These have been neglected. The department of police, for instance, demands a thorough revision. Time is come for making educational and departmental tests the essential qualifications for higher appointments in the police. There has been a universal cry for the separation of the judicial from the executive. The expenditure on public education is exceedingly meagre and has not kept pace with diffusion of education and rising taste for learning. The pay is inadequate and promotion bad. A general discontent among the schoolmasters is the natural consequence. Men of sound learning and impressive character shrink from the service. Minds entrusted to the care of this body of men are sure to imbibe at a very seasonable period some tincture of their teachers' spirit. Useful public works have been likewise stopped.

"So long as our expenditure abroad is thus increasing there can be no hope of having these requirements satisfied. A proper readjustment of revenue and expenditure and utmost economy have been anxiously called for from every quarter.

"Last year the honourable Finance Member showed a decrease of taxation 4·5 millions. No doubt the receipts under taxation in 1883 were 33·678 millions sterling. Those in 1894–95 were 29·528. But he omitted the income of the country. Were it likewise reduced to a sterling basis it too would have shown a corresponding decrease. During the 12 years from 1883 to 1894 taxation has increased 35 per cent., whereas it has increased in the United Kingdom in the same space by only 14 per cent.

"The subject of agriculture may justly be called the burning question of the day. It now demands the immediate attention of those whom it has pleased God to place over us. Further postponement of this matter would amount to the neglect of a solemn trust. The population of India may fairly be estimated at 30 crores. Of this, a little above 80 per cent. live on agriculture, and nearly 10 per cent. live or trade on the produce. We admit we have unprecedented blessings of peace and safety. We must acknowledge the rectitude of purpose of our rulers. Our only complaint is that a proper investigation has not been made of the real state of things. The breaking of the ice is only difficult. The rest is smooth enough. None but your Excellency's Government can do this. On account of the security of person and property, on account of peace and tranquillity conferred upon us, the Indian races breed rapidly. The increase of mouths has necessarily to be fed. The area of cultivation has not kept pace with the increased needs of an over-increased and ever-increasing population. No agricultural improvements have been introduced. Rude system of agriculture, unmanured cropping, continuous cultivation, have all, as it were, conspired to contribute to the fast-proceeding exhaustion of the soil. Crops have begun, as a matter of natural consequence, to yield diminishing returns. The proverbial indebtedness of the agricultural classes has, however, kept its just measure and time with the other difficulties. If the Government be the sole proprietor of the soil, as such, and also as a State

State, it doubly becomes the bounden duty of the Government to put it right.

"The salt duties were enhanced in 1888. In 1886-87, 3,37,35,054 Indian maunds of salt were consumed, whereas in 1894 the consumption was 3,41,50,507 maunds, or only 4,15,453 maunds more than in 1886. The population must have increased by about 23,000,000 The normal rate of consumption of salt per head of population is 10 lbs. The consumption per eight heads of population is, therefore, one maund per annum. The increase of consumption proportioned to population ought to have been nearly 33 lakhs of maunds; but the increase is only four lakhs of maunds and a little more. The consumption has thus, it is plain enough, fallen by 25 lakhs of maunds. Such is, then, the poverty of the masses that a slight increase in duty has caused a diminution in the consumption of an indispensable necessary of life such as salt.

"Numerous other proofs may be given of the strains on the poor. It would be impossible to produce all: I have tried to avoid as far as possible arguments requiring a deal of reasoning. For instance, there is a general rise in prices, but wages have remained stationary. The acknowledged principle of taxation is that it should not affect the national industries. There is again nothing to rely on should these happy peaceful times threaten war. In times of peace we should prepare for war. We deprecate such an event, but we must have a large surplus in the shape of preparation.

"This increase of taxation has features which cannot be made light of. There is every certainty that your Excellency's Government will soon take such measures as may tend to lighten taxation and relieve the anxieties of our men. The position which Lord George Hamilton holds is briefly one of financial equilibrium—a test considered to be an acknowledged proof of its soundness. But there lies underneath a grave and serious peril to which we ought to be no longer blind.

"It is no use discussing where the money thus raised was spent. It is far from my mind to throw any unjust and undeserved odium on this or that administration or on this or that individual administrator. It is the entire system which has given birth to these difficulties. So long as this whole system has not been altered no part of the evil will be uprooted.

"My Lord, I have briefly tried to bring out the nature of our present financial position. I have also tried to show that, though we are all very jubilant to-day, there is no knowing how exchange may rise or fall. I have also shown the justness of the steps taken in partially restoring the Famine Insurance Fund and in re-imbursing the Provincial treasuries with the balances taken from them. It only remains for me to add a few more things connected with expenditure on which the Financial Statement is notably silent, though it has made some trifling savings by way of economy in different administrations.

"The exchange and opium had a continual fall since 1883. The former entailed a loss of 9¾ crores exclusive of additional payment to European soldiers. The aggregate excess loss in consequence of exchange from 1884 to the present date amounts to nearly 60 crores. The increase in Home charges has since been about two millions sterling, due mainly to military expenditure and increase of loss on railway accounts.

"Opium receipts also showed a continual deficiency compared to those of previous 10 years to an aggregate of nearly 6 crores of rupees. Both these losses were beyond the control of Governments.

"Towards the close of 1885 followed a tremendous extension of the frontier forward policy, special defence work, fortunately not given a prominent figure in this year's budget, and the recruiting of the armies.

"The frontier policy necessitated an aggregate expenditure of nearly 68 crores and added six to the permanent annual charge. The real cause of the financial difficulties is not the exchange, but it is this expenditure. Railway extensions have been carried on with little regard for costs. It is not necessary to think of the exchange compensation grant. The total expenditure has risen to 85½ crores, making a permanent addition of 9 crores. Placing the military expenditure of 1887 and 1893 side by side with each other, the latter has risen to nearly 2¾ crores. Of this net increase in the charges both effective and

non-effective is one crore and 83 lakhs, while the increase due to exchange is only 96 lakhs.

"Such is the increase in a department whose charges are already tremendously heavy.

"Though people have an incomplete knowledge of statistical study, and though they cannot account for the premises of their reasonings, this is the inference they have drawn. It is difficult for a non-official member to presume to lay his fingers on established institutions. It was my duty, my Lord, to lay before your Excellency the causes of this embarrassment.

"Your Excellency's Government can best remedy the shortcomings adverted to. As regards the provinces which I have the honour to represent, I must state the Finance Minister has been rightly informed as regards the crops there. I am glad the Honourable Member for Finance proposes restoring the contribution taken from that administration. I am aware, though the cultivators are warned that the remission granted owing to failure of crops would be claimed in the year following, they are never exacted with much rigidity. There has been a continued failure in some parts, and an entire remission is, therefore, very imperative. Some lenient rules ought to be framed for recovering arrears allowed to accumulate. If Government were to realise their arrears in one or at the most two years, the cultivator has no option other than that of borrowing. A complete remission in hard cases and a partial one in others would be desirable. The arrears in the latter cases were better collected in four or five annual instalments. In cases like this the Famine Insurance Fund may be partially utilized. If it be taken out of the pockets of the people in times of plenty to meet famine contingencies, it may be spent to meet their wants in times of scarcity. I am sure such steps will be taken both by the Local and the Central Governments.

"In this year's budget protective railways constitute the most important head of expenditure. Most of them are constructed for protecting the North Western Frontier. The vigorous prosecution of railway construction has already largely added to the net loss to the State during previous years. Several of the new lines are strategic.

"There appears to have been much unnecessary outcry against the special grant for mobilisation purposes. Unless another war were in contemplation this item would necessarily pass into the surplus very likely to be attained over and above the margin presented in the Budget.

"There is now no use raking up an old question decided once for all. Legislation deemed it necessary to forego an income of about half a crore imposing a burden of about 8 lakhs on this country; but it could not be helped. Clouds are gathering on the horizon, and there are indications enough of a gathering tempest. We have every assurance in that case that the Indian Government will assert its own.

"On the whole, we cannot but admire the cautious spirit which reigns throughout the budget. Even supposing the exchange to fall, and even supposing the opium revenue to fall, as it threatens to, it will be found at the end of the year that there is no shortcoming."

The Honourable *Nawab Amir-ud-Din Ahmad Khan, Bahádur*, said:—"My Lord, I am very glad to be able to say that I do not feel myself called upon to take up much of the time of your Lordship's Council to-day, or to enter into any detailed criticism of the Financial Statement now under discussion. Feeling sure, as I am, of the desire of your Excellency's Government to do what is right, and in the best interests of the people of this country, having due regard to the duty that is laid upon it by the control that is exercised by the authorities to which it is responsible, and knowing, as is well known, that the financial interests of the Empire are at present committed to one who is eminently fitted to deal with and control them, I confidently anticipated that the Budget for the ensuing year would call for no unfavourable comment except, perhaps, from those who consider it a privilege or duty to attack everything that the Government may do, and my expectations have been fully realised.

"The Financial Statement for the year 1896–97, which was presented by the Honourable the Finance Minister at last Thursday's Meeting of Council, is one which I think the Government of India have good reason to be satisfied with. A surplus of nearly one crore of rupees is shown in the revised figures for the

year

year now drawing to a close, although a very large expenditure, which was not provided for in the budget estimate, had to be incurred. This in itself is matter for congratulation; but, when it is remembered that this great expenditure includes amounts which denote first, the large sums debited on account of the Chitral Expedition; second, the redemption of the pledges of the Government in respect of insurance against famine; and, third, the repayment of the contributions levied from the several Provinces, the result shows that the Government has maintained its reputation for an earnest desire to do what is right, and the best that circumstances will admit of.

"The Budget Estimate for 1896-97 may, on the whole, I think, be regarded as illustrating the prosperous condition of the country and the soundness of its financial position, and the forecast of the year, as far as it is practicable to make one, may safely be accepted.

"A budget estimate is necessarily liable to be affected by causes beyond human control, a fact which the Honourable Finance Minister is not slow to admit; nevertheless, I for one cannot but express my appreciation of the prudence that has led to the cautious estimates of revenue which have been framed by the Honourable the Finance Minister, in order as far as possible to be prepared for any unforeseen causes which may operate to affect the estimates unfavourably. This is especially shown in the very moderate estimate of the gain in revenue due to the rise in exchange, for, although the present state of the silver market might justly warrant calculations at a higher rate than has been adopted, that rate will most probably prevent dislocation of the estimate and any difficulty that might be caused by an unexpected reverse. Another feature in the Financial Statement which has struck me as indicative of a wise policy on the part of the Government is the determination to improve the resources of the country, by the extension of irrigation works and the construction of railways, and additions to lines already opened out. This is, in my opinion, a step in the right direction which would no doubt have been taken years ago, but for the state of the finances of the country which has for some time past caused uneasiness.

"My Lord, as I indicated at the beginning of my remarks, there must and will be critics who will endeavour to pick holes, but on the present occasion they must endure the disappointment they will have to suffer, in that they cannot find even a decent pretext for raising their voice against the annual Financial Statement which is now under consideration, and which will, I have no hesitation in saying, call forth general approbation, and tend to free the public mind from undue anxiety as to the intentions of the Government or the prospects of the future."

The Honourable Mr. REES said:—"The honourable gentleman who opened the debate with all the authority which attaches to the representative of the Chamber of Commerce has already dwelt upon the most salient feature of this statement, and few, if any, who have the interests of India at heart can doubt that in the discriminate multiplication of railways lies the greatest good of the greatest number of its inhabitants. And my honourable friend Mr. Anand Charlu who will speak next, clothed in a still more comprehensively representative character, will no doubt discover other merits in a budget, the criticism of which is likely to eventuate in a chorus of congratulation. I would only beg for your Excellency's indulgence for a very few minutes to briefly refer to two or three provisions which cannot but increase in a conspicuous measure the material prosperity of Southern India in localities with which I have an intimate acquaintance.

"The first of these is the allotment of six lakhs for the water-supply of Bangalore. For many years successive residents in Mysore, two of them distinguished officers of the Corps of Royal Engineers, and successive Governors of Madras, have had this problem before them, and have sought to devise a scheme for its solution; but, either because none was suitable, or because it was doubtful which was most suitable, or because funds were not forthcoming, little has been effected till this present time. With an admirable climate, and with all the advantages and amenities of one of the most favoured localities in the country, the water there has not been the best thing, but the worst, and there has been so little of it as to give rise to annual apprehension. In future upwards of 180,000

souls in the city and cantonment, and the whole population of surrounding British and Mysore districts, which use Bangalore as a health resort, will directly or indirectly benefit by the blessings of an improved water-supply. Had the late Maharaja of Mysore, who provided a supply for the city, been spared, none would have rejoiced more than that admirable Prince to witness the grant of this boon to the inhabitants of the small tract of Mysore which is under British administration.

" The six lakhs of rupees required in the coming year for the improvement of the Coum River are provided by the Provincial Government; but, by sanctioning this allotment and by passing the large estimates prepared, the Government of India has co-operated with that of Madras in the greatest effort yet made to heal a running sore, which has baffled successive administrations probably ever since the British flag has flown at Fort St. George, and has contributed in no small degree to raise Madras, as judged by its death-rate, to a bad eminence among the insanitary cities of the world. Nothing so much as the improvement of the Coum will conduce to removing it from that index.

" The Honourable Finance Member in his speech last Thursday referred to a new and interesting feature of the present Budget, the statement showing the financial relations between the Central and the several Local Governments and the use which is made of provincial contributions, and he trusted that the figures given would show that there was no foundation for the theory that provincial surpluses are absorbed by the Imperial Government for expenditure on objects foreign to the provinces in which they arise.

" But, however interesting and useful these figures are to dissipate a belief which I venture to think is not wholly peculiar to 'non-official circles,' the present Budget affords a most convincing refutation of any such theory, in the liberal grants made for railways, not only in adjacent, but in remote provinces, which exceed, I believe, those of any previous year.

" The matters to which I have referred, though of supreme local importance, are altogether insignificant beside the grant of Rx. 137,800 for the completion of the East Coast Railway between Bezwada and Cuttack, and of Rx. 800,000 for the Madras-Bezwada line, probably the largest sum which can consistently with efficiency and economy be spent in a single year.

" If to these amounts be added the advance of Rx. 750,000 to the Bengal-Nagpore Railway, of which perhaps Rx. 500,000 will be devoted to the East Coast connection, little less than Rx. 1½ millions is provided for the completion of railway communication between Calcutta and Madras, which it is believed in no long time will be reduced to a matter of 44 hours. Quite lately such a prospect would have been regarded as an optimistic dream.

" There would be no justification for occupying the time of your Excellency's Council in demonstrating the acknowledged fact that the speedy construction of this line will result in unnumbered advantages to several contiguous and populous districts, at present so little in touch one with another that in 1889 Ganjam suffered from famine while its neighbours enjoyed normal prosperity.

" But it is difficult for one who upwards of twenty years ago knew the Northern Circars at all times cut off by land, and not infrequently when cyclones raged in the Bay cut off by sea, from all communication with the rest of the Indian world, to pass by these liberal grants without endeavouring, however inadequately, to express, on behalf of nearly nine millions of inhabitants of upwards of 31,000 square miles of Madras territory, a satisfaction keenly felt by the industrious and estimable Telegu people, which is not articulate in proportion to its worth.

" If I have not referred to the restoration of the Famine Insurance Grant, it is because a Railway Budget is in the best and widest sense of the word an insurance against famine as well as an advance all along the line.

" There is an Arab proverb current in India, 'Better an hour of justice than seventy years of prayer.' So little do I think that the Honourable Member for the Central Provinces is right in holding that the construction of railways has pressed heavily on the Indian peasantry, that I believe, if rural India could be polled, it would answer in a paraphrase of this proverb, and would say, 'Better a line of railway than all the other services of civilisation.'"

The Honourable *Ananda Charlu, Rai Bahádur*, said :—" May it please your Lordship

Lordship, I cordially congratulate the Honourable Finance Minister on his very able Financial Statement, subject to some few exceptions; and as to these exceptions I cordially sympathise with him in his personal inability to get rid of them. With all these latter, it is hardly possible to deal at present; but some of them I cannot but discuss at some length, for which I beg to apologise.

"It is highly gratifying to note that the question of questions of vital interest to the people of India, that of the Famine Insurance Fund, is again taken in hand, and a provision has been made towards it on the credit side. It is deservedly given the first and foremost place. I do not see, however, why it is called a self-imposed obligation. It is, I believe, an obligation, compulsorily thrust on the Government by the necessities and conditions inseparable from the administration of a country subject to repeated recurrences of famine almost as a matter of course. If so, it is like all other obligations which are forced upon the Government by causes extraneous to its mere will and pleasure. If this has been specialised as self-imposed in order to facilitate its suspension in the future, as has too often been done in the past, I must strongly object to it as the introduction of the thin end of the wedge to initiate an unsympathetic and radical change of policy. Again, I first thought that it was nothing more than an accident that the well-known name—the Famine Insurance Fund—was discarded in favour of the new designation, the Famine Insurance Grant. To my mind and to the general public the former conveyed and conveys the idea of a trust already created and already existent, while the latter denotes a mere creature of option—not importing any sense of obligation. But this seemingly slight change of nomenclature appears to have a history behind it, and it has been followed by the systematic use of such expressions as 'famine insurance policy,' 'obligation of famine insurance,' and so forth, to the studious exclusion of the word 'fund,' and it is too much to be feared that power is meant to be taken or retained henceforward to grant the provision, to withhold it, or to withdraw it, as it suits the exigencies of each year. To this substantial change of front I must indeed object. I fear there is, beneath the surface of an acknowledgment of the obligation, a distinct undercurrent, undermining the policy originally inaugurated and the pledges given when the Famine Insurance Fund was brought into being, under a deep and harrowing sense of responsibility for human lives, by Lord Lytton, a horrified eye-witness of the palpable havocs of famine, chiefly in the Madras Presidency. There are, in the Financial Statement before us, other indications accentuating this fear. This fund—I prefer continuing to call it by the name with which it was first christened—this Fund, as set forth in the Financial Statement under debate, is to be devoted (1) to actual relief of famine when it occurred, (2) to measures calculated to prevent the recurrence of famine, and (3) to facilitate measures of relief on its occurrence. Let us see how the purposes of that Fund were described at its creation.

"Now, looking back upon the history of this Fund, from the records available to me, it appears that the question of organising some system in the direction of preparing against famine was first taken up by Lord Northbrook.

"Sir John Strachey, speaking in connection with his Financial Statement for 1877-78 on the 27th December, 1877, said:—

"'He (Lord Northbrook) determined that, to enable the State to meet the serious obligation of preventing and relieving famine, it was necessary to secure in prosperous times a substantial surplus of revenue over expenditure, in addition to that necessary margin which a prudent administration demands for the ordinary requirements of the State. Due provision would thus be made for meeting occasional expenditure upon famine. He urged that, if this surplus were devoted to the reduction of debt or to preventing the increase of debt for the construction of reproductive public works in years of ordinary prosperity, there would be no objection to the public expenditure exceeding the public revenue in occasional years of adversity, so that we might then without objection meet the charges on account of famine from borrowed funds, to the full extent to which our surplus had permitted the discharge of debt or prevented its increase.'

"The policy herein indicated may be put thus:—

1. Secure a substantial surplus in prosperous times.

2. Make out of it due provision to give actual famine relief.
3. Devote the rest of it to (1) reduction of debt, (2) to prevent increase of debt, and (3) to the construction of reproductive public works.
4. Thus enable Government at any given time to borrow funds to meet the charges on account of famine, when they actually come on.

"That embryonic policy had to be essentially modified, proclaimed, and strengthened with clear pledges, when Lord Lytton came face to face with the ravages of the dread spectre! In his minute, in his speeches from his place in the Council, and in his replies to public bodies, he made his meaning abundantly clear that every year an allotment of a crore and half of rupees should be religiously set apart, and that, among other things, the sums so to be set apart should be actually and loyally invested in a particular class of public works which he indicated pretty intelligibly, irrespective of other works, generically similar perhaps, but admittedly different in character.

"Here are his chief utterances on the subject:—

"'Well, then, I think I am entitled to point out to the Council that we are not now fairly open to this customary criticism. We do not speak without having acted; and we promised nothing which we have not, after long and anxious consideration, provided ourselves with the means of performing. I must have very imperfectly explained myself thus far, if I have failed to make it clearly understood that I am not now speaking of what we ought to do, or would do, to insure this country against the worst effects of future famine, had we only the means of doing it; but of what we can do, and will do with the means already provided for in the measures now before the Council. I do not mean to say that the construction of such an extensive system of local railroads and irrigation works as we propose to undertake, will not be the gradual task of many years. But I do mean to say that in the manner and on the principle already explained we are now providing for the prompt commencement and uninterrupted continuation of this great and necessary task.

"'As the representative of the Sovereign of India, I regret that such language should have been held to me by you . . . The sole purpose of the additional taxation you complain of was the preservation of the lives of the people of India from the effects of famine . . . Whatever may be the faults or shortcomings of this Government, its action in the matter to which your address makes reference was dictated by the sincerest and most anxious desire to give the people of India the greatest protection which could practically be provided for them against the calamities of future famine. To insinuate the contrary is to insinuate a calumny.'

"The passage below sets forth the engagements of the Government in Lord Lytton's own words:—

"'1st.—To apply funds from the surplus revenues at the rate of 1½ millions sterling per annum in such a manner as to create what shall be, in fact, an insurance fund, from which future expenditure for famine relief can be provided for without adding to the permanent burdens on the revenues.

"'2nd.—To bring about this result, either by the direct discharge of debt in times of prosperity, or by investments of surplus revenue in productive public works under conditions that shall ensure their being really remunerative, and hat they shall at the same time supply to the country the best material protection against famine.

"'3rd.—To comply with this condition carrying out in all the provinces of India as speedily as our financial position and other economical considerations will admit all approved extensions of irrigation, and a complete system of cheap railroads, primarily and specially adapted to a slow goods traffic.

"'4th.—To secure to the utmost the finance basis of this undertaking by assigning to, and concentrating upon, the Local Governments the financial responsibility and administrative powers necessary for the designing, commencement, completion and maintenance, within their respective provinces, of such a system of works as shall fulfil the requirements of the case for each of them.

"'5th.—To arrive at this result by giving to these Local Governments the maximum of pecuniary interest and profit in the cheap construction and successful management of all provincial public works, by reducing to a minimum interference on the part of the Government of India in the administration of such works, and by not permitting such interference to extend beyond what is necessary to ensure

ensure regularity and harmony of action or protection to the general financial interests of the State.'

"Placed side by side, there is a very striking, and, I shall add, a very startling, divergence between the two. One cannot help reading between the lines, and noting with profound sorrow an ill-concealed disposition to starve this fund in order to meet the cost of measures which are more or less dictated by the general obligation the Government is under to meet commercial or strategic needs, and to develope the resources of the country, and which it is bound to undertake for their own sakes, and quite apart from any relation to famines. These, for purposes of distinction and easy reference, I shall call non-famine public work, including both large irrigation measures and railway constructions. The phrase 'measures calculated to prevent the recurrence of famine' and the phrase 'to facilitate measures of relief on its occurrence,' which are used by the honourable Finance Minister, are far too elastic and far too vague. Given a certain amount of skill and ingenuity, I do not know what measures could not be easily lugged into these categories, irrespective of all specifications in the past. Every railway construction, by affording easy transit for food grains, and every work of irrigation, by serving the same purpose and rendering the further service of watering more extended areas of cultivated land, must, to some extent, help to check famine, and might any day be declared to come under the latter of these words. What is the permanent differentia? Is it to be the will and pleasure of the holders of the portfolio for the time being? I do wish that the honourable Finance Minister had more unequivocally enunciated his restricted meaning, and shown the amount of famine public works already accomplished, and yet remaining to be accomplished, out of them, by means of a map or sketch indicating the former and the latter in different colours. In paragraph 4 of the Financial Statement it is stated that a total sum of Rx. 1,815,724 has been spent upon the construction of irrigation works out of the Famine Insurance Grant within these 15 years. The first thing that strikes one is to ask why is there no table or explanation as to how this fund had been dealt with from the date of its creation, namely, from 1878 down to 1881–82."

The Honourable Sir *James Westland*: "Government publishes this every year. The whole thing is available to the public whenever they like to ask for it."

The Honourable *Ananda Charlu, Rai Bahádur*, said he was not aware of the existence of any such return or explanation.

The Honourable Sir *James Westland*: "I think, before that accusation against the Government passes, I should like to hand the honourable Member a copy of the return in question."

The Honourable *Ananda Charlu, Rai Bahádur*: "I only want the assurance. That is sufficient. Is it that, during that interval, the entire fund was devoted to famine relief and famine works? Or is it that its very existence was all these years ignored? I crave a solution of these doubts. The next thing that occurs to me is to ask for information whether the sum named represents the cost of the *entire* irrigation work constructed during that period, or of a *portion* only, *i.e.*, the portion debitable against the Famine Insurance Fund. A misgiving is created by the fact that, whereas, as regards the railway construction, a distinction in this respect is shown in the table, no such thing is done as regards the irrigation works. If only a portion, I shall feel thankful if information is afforded as to the location and the cost of the rest. A natural misgiving arises from the very phraseology employed by the honourable Finance Minister. In describing the source out of which the amount of their cost was taken, he does not content himself with saying that they came 'out of the Famine Insurance.' But he hastens to add, '*i.e.*, out of our revenue.' Are these identical expressions? Or is it an attempt to be true to the ear but not to the hope?

"Next, as to what is said on the railway construction. I have to ask about this also, for information as to the period prior to 1881–82, such as I have desired as regards irrigation works. A further point requires clearing up, namely, a specification of the railway construction already completed, as distinguished from those which yet remain to be taken up, and why so. It

would have been a considerable help if it had occurred to the honourable Finance Minister to indicate this also, in a map or sketch as an annexure to the Financial Statement. Such maps or sketches would also be valuable as guides in respect of future operations in the direction of safeguarding famines, and ensuring unintermittent attention to famine public works. Now it is quite possible to seize and carry away, year after year, by the right (*i.e.*, the wrong) hand, and for non-famine public works, what are annually doled out to famine public works by the left hand.

"If the humane policy which dictated a yearly allotment of a crore and a half, and a utilisation of it in famine public works, has been religiously given effect to all these years, we should have to-day famine irrigation work and famine railway construction worth at least a sum of seven crores of rupees over and above what now exists. In the interests of the 80 per cent. of the people, *i.e.*, in the interests of the entire body of agriculturist population in the country, I am bound to say that these seven crores and odd should be put back into the coffers, reserved for actual famine relief and for the completion of the famine public works, as absolutely needful for supplying them with the necessaries of life, if the word 'restoration,' which is so freely and so frequently diffused throughout the Budget, is to receive its full meaning. The so-called restoration of famine insurance in the present Budget is to me, therefore, not a matter of such jubilation as it evidently has been to others whose eyes do not fall on the toiling millions of the country, and who, somewhat like the barber in a Tamil story, have in their carpet bags a small ingot of gold, and will hence say that, in this land, there is none so poor as not to possess a nugget of that precious metal. I shall be deeply grateful if I am at least told whether the fund is to be ever recouped, according to this measure of justice, if not in the immediate present. I shall also receive with an equal gratitude a further assurance as to whether the policy now meant to be recognised and carried out is the policy as laid down by Lord Lytton's Government, and whether annual contributions would be, hereafter at least, loyally made, to make amends for the past neglect of years; for it is surely no satisfaction to be referred, year after year, to works such as are mentioned in paragraph 4 of the Financial Statement.

"I am, indeed, perfectly certain that, whether the Famine Insurance Fund existed or not, the Government would laudably rise to the exigencies of famines whenever and on whatever scale they might occur, and that it would generously and humanely grapple with them at all cost. But that is a species of obligation quite distinct from the inviolable obligation to put back the consecrated money where it was or where it should have been, or show it in the form of famine public works already completed and in a working order. The very fact that, side by side with the general obligation to fight famines, a special reserve under the name of Famine Insurance Fund was set on foot, shows that contributions to it were meant to be regularly made and uninterruptedly utilised for the intended purpose, without division and without being subject to the liability to lapse at the end of each year into the common exchequer. It must have been so set apart, as is easy to realise, for the very reason that when famines do come the Government may not have to strain its giant strength and put forth its uttermost efforts to cope with them, as it had to do, to its bitter experience, during the famine of 1876 and 1877, chiefly in the presidency of Madras, for, with all that the Government could do on that occasion, the public and the British generosity had to be appealed to, with all the weight and prestige of no less than the Duke of Buckingham, the then Governor of Madras. Notwithstanding all this stupendous effort, no less than six millions died by the famine of those years. It was wisely assumed that such unstinted and princely bounty, on the part of the British public in particular, could not always be counted upon, and, therefore, a reserve of a crore and a half of rupees under the name of Famine Insurance Fund was brought into being, in the first instance, to be augmented by a crore and a half of rupees every succeeding year, but to remain untouched except for giving actual relief in times of famine, and except for carrying out famine public works, *i.e.*, that particular class of works which would directly contribute to ward off occurrences of great scarcity. A new and special tax, the license tax, was imposed for the very purpose of making up and enlarging that fund. The proceeds of that tax ought to have been

been, as was pledged religiously, placed to the credit of the Famine Insurance Fund, and when the income-tax has replaced that tax an equal amount out of the collections under the new impost should have been put into the coffers of that fund. 'Revive the Famine Insurance Fund or remit the taxation initiated for the purpose,' demanded the Honourable Mr. Playfair last year. My demand this year is somewhat different, namely, do not remit the taxation initiated for that purpose, but restore the Famine Insurance Fund loyally to what it should and would have been if it had not been meddled with.

"It may be said, and it has been said, that miles of famine railroads have been constructed and numerous works of famine irrigation have been completed. Quite true. But it is beside the question. It would indeed be an answer to a charge of absolute non-performance. But how is it an argument why the rest of the promise has remained unredeemed by action? If it be said that there is very little yet left to be done in this direction, then the burden of the tax on the poorer classes must *pro tanto* go. Let the taxable minimum of the income-tax be proportionately raised or let reduction of salt-tax follow, or let a stop be put to the process of squeezing his paltry remnant from the raiyat by so-called re-surveys and re-settlements, the object of which has, till now, been enhancement and nothing but enhancement—such as the Presidency of Madras is, with one voice, lamenting and crying against. This and the like of this are perhaps the basis for the Honourable Finance Minister's complacent remarks in paragraph 65: 'Our prospects are now very much more hopeful. Our revenues are advancing.'

"I cannot pass away from this subject without reminding ourselves of certain very appropriate words of Lord Lytton. Here they are:—

'The current claims upon the activities and resources on the Government of India are so numerous, so pressing, so important, official forces and Imperial funds so necessarily limited, that when once the daily, hourly strain of a great famine has been removed from a wearied administration and impoverished treasury, its fearful warnings are soon forgotten, its disquieting ghosts are quickly exorcised by the conventional declaration of some unexceptionable principle, its bitter memories decently interred beneath the dull *hic jacet* of a blue-book, and there, for all practical purposes, is an end of the matter.'

"I next proceed to the pronouncement in regard to Chitral. The Honourable Finance Minister has very properly said that the Financial Statement is not the place in which to defend the policy relating to Chitral. I say, with greater propriety of language, that it is not of any avail (and therefore not fitting) that it should be discussed in this Council. But one single remark has, however, to be made in this connection, namely, that, owing to the accident of a recent change of Ministry in Great Britain, five untoward results to India have ensued, namely, (1) the disappearance of a good slice of her previous income; (2) the permanent addition to her already overburdened expenditure by reason of retaining Chitral; (3) the postponement of a performance of a long-standing and deliberate promise to relieve her suffering poor by a reduction of the salt-tax; (4) by a fresh burden in the shape of taxation on the coarser goods which alone are available to the poor in the land; and (5) a burden of 15 lakhs a year in the shape of interest on the loan of four crores that has been announced to be in immediate contemplation. This is a matter, perhaps, for serious reflection on the part of those who still cling to the fond belief that Indian affairs are outside the sphere of the party politics of Great Britain and Ireland.

"I proceed, and I note that the entire income derived from the whole of the irrigation works and railway construction is coolly put down as available for the general purposes of the Imperial administration. This seems to militate against what was laid down by Lord Lytton in respect of the profits of true famine public works. Let me repeat his words in this context:—

'To arrive at this result by giving to these local governments the maximum of pecuniary interest and profit in the cheap construction and successful management of all provincial public works, by reducing to a minimum interference on the part of the Government of India in the administration of such works, and by not permitting such interference to extend beyond what is necessary to ensure regularity and harmony to action of protection to the general financial interests of the State.'

"I pass on to exchange and opium. I heartily congratulate the Honourable Finance Minister on the cautious data on which he has based the Budget so far as the exchange and the opium revenue are concerned, and on the hopeful prospect of further betterment which he asks us to cherish regarding these shifting causes of Indian misfortune. Having regard to that prospect, and believing with others that the rate of exchange might not fall below 14*d.*, I should receive with gratitude—not only I myself but the entire country would so receive—an assurance from the Government that, so soon as the exchange or opium rendered it possible, the reduction of the salt-tax and the raising of the taxable minimum of the income-tax would engage its very first attention.

"As regards the attitude of the Central with the Provincial Governments, it is a welcome news that repayments will be made to them of the contributions taken from them in 1894–95. But I must enter a solemn protest against the most extraordinary theory of the mutual relations between the Central and the Provincial Governments, developed and dwelt upon in paragraphs 61 to 64 of the Financial Statement.

"It is, to my mind, subversive of all accepted notions of fairness and propriety. It reduces the Governors of Provinces into gardeners for a far-off absentee landlord and the tillers of soil into his serfs. Just as a gardener cannot touch or call one bunch in the vineyard as his own, so the Governors are to be merely guards and sentinels to watch and see that no one takes any part of the outturn. Just as the serf cannot, as of right, look to any good coming to him from the crop which he exerts himself to raise, the people themselves cannot, as of right, expect that the share of the fruits of their labour, which they hand over to their Governors, might in the first instance be applied towards their well-being. This is as cruel as it is amazing and unfair. It is difficult to say which to admire, the temerity or the heartlessness of the pronouncement. Everybody has been saying to himself that, at the approaching revision of the Provincial Contracts, there ought to be an insistance upon a larger attention by the Provincial Administrations of the revenues they raise. The further idea has also been fondly cherished that, on that coming occasion, Provincial Administrations should ask to be permitted to keep to themselves such sums as they may have by economy saved and allowed to accumulate for large and costly works of provincial utility, in the way of reliefs to municipalities and district boards where the revenues of these latter are not equal to them. It is indeed an irony of fate that, amid all this hope, the bolt should have fallen blasting all that hope. I sincerely wish that this theory—perilous to the welfare of the provinces, and perilous to the responsibility and motives to economy on the part of the Provincial Governors as well—will not pass beyond the stage of mere enunciation.

"This Budget is indeed an admirable feat. I can only describe it as an inverted cone, with its apex in the shifting sands of exchange, with all the weight of this year's Indian prosperity mainly poised on that apex. That unstable foundation might any day discover sudden signs of giving way; and to prop up our inverted cone we might have to seize upon everything ready to hand, even to the extent of further straitening the poor man's food and clothing and his small savings. It behoves us, therefore, to see how to rehabilitate our revenue and to place it on a sound, firm, and solid basis. There is but one alternative, and it is but to have the word 'retrenchment' largely writ and put in practice measures tending towards it. A mere cheeseparing policy will never do. The insatiate and never-ceasing demands of our forward policy must be attacked and overcome. Our ever-growing home charges must be considerably beaten down.

"If these are impracticable, then the sole remedy is for Great Britain to come out with a substantial contribution to alleviate India's burden. The colossal and costly schemes of the forward policy are mainly to maintain the British prestige—say what others may to the contrary—and this measure of bare justice is rightly due from the dominant and flourishing to the subject and prostrate country. Without these righteous achievements, to endeavour to promote the happiness or contentment of the people and, in a true sense, to make the two ends meet is—to use a homely simile—to work at the pump and leave the leak open.

"Within these 10 years this forward policy has cost us—apart from the wars

wars themselves—an aggregate sum of nearly 70 crores, and has added to our permanent expenditure no less a sum than 6 crores per annum; and as for the home charges they have amounted up to over 25 crores of rupees. It is to meet drains such as these that the poor man's food and salt are reduced to famine rations, and the hand of the tax-gatherer is laid even on his coarse and scanty raiment.

"This has been said, and said times out of number. The non-officials have said it, and they have been laughed at for their pains. But two predecessors of the Finance Minister of to-day have also said it, with a full knowledge of the arcana of the Indian finance. They have, with the trammels of office, thrown away the dead weight of reticence which sat heavily on their conscience while they held the official portfolio. They have discharged their conscience by boldly denouncing these as the true enemies of India. They, too, have been relegated to the limbo of disdain and scorn. This is the most unspeakable of India's misfortunes."

The Honourable Mr. *Cadell* said:—"My Lord, no department is more interested in the success of the Honourable Member's financial administration than that which I have the honour to represent, and no one can congratulate him more heartily than I do on the financial prosperity which his skilful administration has been instrumental in establishing, and which among other advantages which it has brought to the country has rendered possible increased effort with respect to public works.

"Notwithstanding what has just been said by the Honourable Mr. Ananda Charlu, I think that I am justified in making the statement that so much has been done in former years to secure and improve cultivation in different parts of India, by extensive irrigation works, that there is now comparatively little left to be done on a large scale in that direction, and at all events the irrigation works in hand or sanctioned do not require for their completion an expenditure greatly exceeding 4 crores of rupees to be spread over a number of years.

"The Honourable Mr. Ananda Charlu may be surprised to hear that the demand for strictly protective works is a very small one, and does not exceed 4 to 5 lakhs annually for the help of India. A further sum of 10 or 12 lakhs may be necessary for Burma, but as most of the works required there are likely to be remunerative they would not come under the head of 'Protective.'

"In this way financial interest with respect to public works is largely concentrated upon the operations of our railway engineers, whose possible requirements are practically unlimited, and whose immediate requirements have in the Budget under discussion been very liberally provided for. Even the figures given at page 14 of the Financial Statement show very substantial and increasing provision for the wants of the country with respect to railways; and the figures there given by no means represent the whole of the expenditure on railway extension in India, which is due either directly or indirectly to the action of Government, for, as is noticed in the Statement, there are large items of expenditure which do not pass through the Government accounts, and our expectation is that, while in the year which is just closing a sum of $6\frac{1}{4}$ crores of rupees will have been usefully spent on railways, in the year which is about to begin, no less a sum than $13\frac{1}{4}$ crores will be so spent, and it is hoped that the Honourable Member's provision for the further development of the railway communications of India will be on a not greatly restricted scale in future years.

"But perhaps it will be well that I should leave financial details alone, and that I should restrict myself to the results which this Department has recently achieved or hopes to achieve, and for this purpose a convenient period to consider will be that of your Excellency's administration. When the first complete financial year of that administration began, there were 18,503 finished miles of railway in India; in 1894–95, 360 miles were added, and it is hoped that in the year which is about to close 1,009 miles more will now have been completed; and, if it be possible to carry out the programme which has been drawn up, there will have been added, during the period of your Excellency's administration, no less than 4,400 miles of railway, which would constitute an addition of 24 per cent. to the mileage of 1893–94.

"But even the completion of this programme, in whatever direction it may be finally altered, will leave much work already considered and approved

untouched. Important main lines, links which are most desirable if not absolutely necessary, and numerous minor lines. must be omitted, and there will remain very ample room for the expansion of railways in all directions, more especially in such countries as Assam and Burma.

"The most noteworthy events in the history of the Public Works Department during the year which is drawing to a close have been the opening of the Periyar Irrigation work, the brilliant conception and the practical working-out of which we owe to Colonel Pennycuick, and the completion of the Mushkaf-Bolan Railway, a work presenting many difficulties which have been overcome by the skill and perseverance of Messrs. Ramsay and Hodson and their staff.

"It is, however, in the addition to our railway undertakings that the year 1895-96 has been most conspicuous. First of all in magnitude and in importance to Calcutta and Madras are the connections now arranged for at a cost of 7¼ crores of rupees for linking Calcutta with Cuttack and Madras with Bezvada, which will complete the direct line of railway communication between the two Presidency towns, and will be most beneficial to the trade of both.

"Another important line between Rohri and Kotri to the east of the Indus is approaching completion, and the projected line of the Southern Punjab Railway from Bhatinda to near Bhawalpur will form an important complement to it, when the bridge over the Indus is finished. The Saugor-Katni Railway forms another desirable link which will render the coal-fields of the Central Provinces accessible to the railway system and Rajputana, and is being arranged for by the Indian Midland Railway.

"In the North-Western Provinces, as in certain other parts of India, the extension of the railway system of the country has been accelerated by the prevailing scarcity, which rendered the commencement of work desirable, on the extension from Rai Bareli to Benares, and on the Bengal and North-Western system.

"In Burma, work on the Mu Valley Railway has been progressing steadily, an extension has been sanctioned from Mogaung to the river at Myitkina, and the construction of an important line from Mandalay to the Salween River at a cost of 225 lakhs has been authorised, and has been begun.

"In all directions there has been marked progress, and the foundation has been laid of still more important progress in the near future; and I think it may be said that the Public Works Department of the Government of India, until recently presided over by Sir Charles Pritchard, is taking full advantage of the opportunities which have been afforded by the great improvement in the financial condition of the country which has taken place.

"The Honourable Mr. Playfair expressed the hope that more liberal encouragement might in future be given to the construction of feeder railways. I do not think that one who is only temporarily connected with the Government should be its exponent on questions of permanent policy, but in case your Excellency does not discuss this question, I may say that new rules on the subject are under consideration, and will shortly be issued with the effect, I trust, of encouraging private enterprise in this very useful direction.

"The Honourable Rao Sahib Balwant Rao Bhuskute has made a statement to the effect that 'protective railways constitute the most important head of expenditure Most of them are constructed for protecting the North-Western frontier.' As a matter of fact, the only two railways which bear this character are the Mushkaf-Bolan and the Mari-Attock Railways, for the Kotri-Rohri chord line lies to the east of the Indus, and, although it will no doubt be used for military purposes when required, it was principally demanded by the commercial community of Karachi in the interests of that port. So far from most of the railways being on the North-West frontier, most of them, it so happens, are on the Eastern side of India.

"The Honourable Mr. Rees has borne testimony to the great advantage to the country which is likely to follow the construction of a continuous line of railway from Madras to Calcutta, and there is little doubt that it will serve the interests of Calcutta and Madras, as much as it will tend to the advantage of the districts traversed and the convenience of the people.

"The chief assailant of the administration of the Government in past times and in the budget arrangements of the present period has been the honourable Member on my right, Mr. Ananda Charlu, who seems to think that protective works have been systematically neglected, and that the administration of the country has been careless of the interests of the people. The honourable Member in charge of the Finance Department will no doubt reply to the honourable

honourable Member on the whole question; but I think it may be of use if I describe what within my personal observation has been done to protect the only province, as far as I know, in the territories under the immediate administration of your Excellency's Government, in which, upon any extensive scale, relief operations have at the present time been found to be necessary. I happened to be in charge of one of the Bundelkhand districts when famine last threatened in 1877. At that time there was no railway in the province, and if the supply of food had proved insufficient to meet the wants not only of the population of our districts, but of adjoining Native States, there might have been serious difficulty in pouring supplies into a country provided with few metalled roads, and with unmetalled roads peculiarly liable to be rendered impassable if rain had fallen at a time which was too late for the purposes of agriculture. Now the province is traversed to the west by the main line of the Indian Midland Railway, while to the east a long and wholly unremunerative broad gauge branch passes through three out of the four districts and brings every village in within 50 miles or less of the railway. Both these branches of the Indian Midland Railway have been constructed from the Famine Grant, from which also the annual loss is met. But this is not all that has been done to safeguard the people of Bundelkhand from the worst terrors of drought, for, although there was great difference of opinion as to whether it was desirable to construct a canal in a country in which black soils predominate on the level plain, Government decided that the experiment should be tried, and undertook the construction of the Betwa Canal at the cost of some 40 lakhs of rupees. This work has never paid, and has not, so far, been so beneficial to the country as to justify the construction of the other Bundelkhand Canal which was at one time contemplated. The benefit to the country of the Betwa Canal during a period of scarcity is now being tested. I am certainly not one of those, to use words used by the honourable Member, 'whose eyes do not fall upon the toiling millions of the country.' I have year after year spent many months each season in contact with the agricultural community, in their villages and fields, and I can certainly say that I have never noticed, more especially in the districts which I have mentioned, the harsh and unsympathetic attitude of which the honourable Member complains. Enhancements of land revenue are only looked for where the circumstances of the country fully justify them, and I am sure that the honourable Member on my left (Mr. Woodburn), will bear me out in saying there is no pressure on the part of Government in that direction. I can, for my own part, assert that, when in one of these very Bundelkhand districts to which I have referred, large and important reductions in assessment were held to be necessary, they were granted with the fullest and readiest approval of every authority to which they were submitted. The honourable Member's charges are general, and a mere general assertion to the contrary would have been of little use. I have traversed them by stating what has been done in a single tract of country, selected for the sole reason that it is happily the only portion of British territory with which I am acquainted in which during the current year relief operations on a considerable scale have been found to be necessary."

The Honourable Mr. *Woodburn* said:—"I had no intention of intervening in this debate, but, as I have been appealed to by my honourable friend Mr. Cadell, I may at once confirm what he has said as to the attitude of the Government of India and the Local Governments in the matter of the assessment of land revenue. I listened with some surprise to the remarks made by the Honourable Mr. Bhuskute on the condition of the soil, and of the people who live on it. In the part of the country with which he is most familiar I have never heard or seen any evidence of any sensible depreciation of the soil within recent times; nor have I heard that crops have as a natural consequence begun to yield diminishing returns. But what I have heard and seen is a great enhancement within the last quarter of a century of the rents which are received by the landlords. No one would be more ready than my honourable friend in calmer moments to admit that, in that great increase of the landlord's receipts, the State, which supplies protection and the assistance of many services, is entitled to have a place.

"There is one matter in which Mr. Cadell has taken from my lips the only other remark which has been suggested to me by the course of this discussion. I was surprised to hear my honourable friend Rai Ananda Charlu speak

with such disapproval of the expenditure from the Famine Fund, and, indeed, from the general revenues. No one who has seen the influence of railways in tracts where the harvests are short can doubt that almost every railway is in fact a famine protection railway. In Saugor, where two years ago there was sharp scarcity, the railway brought such supplies of food and grain that prices never rose to what used to be known as famine prices. Similarly, in the North-West Provinces in the present year the Lieutenant-Governor has just presented to your Excellency a statement in regard to the scarcity there which is illustrated by those maps that Rai Ananda Charlu would like to see presented to this Council. Each one of these districts is traversed by a railway, and the consequence is that, though there may be much suffering and poverty, the prices will never be abnormal, and it ought to be possible that there shall be no death from starvation."

The Honourable *Lieutenant-General Sir Henry Brackenbury* said :—" My Lord, I am grateful to my honourable colleagues in charge of the Public Works and Home Departments for having intervened between the speech of the Honourable Mr. Ananda Charlu and myself; for I feel that it is always a somewhat ungrateful task to bring a debate down from those high, if somewhat misty and vague, regions of Oriental metaphor to which this debate was raised by the honourable Member, to those earthly, but I trust solid and substantial, regions of fact in which I shall have to ask the Council to follow me, for I fear some considerable length of time. My honourable friend Mr. Playfair, with his usual courtesy, gave me notice of his intention to invite me to explain to this Council some matters connected with military expenditure, and especially the point in connection with the Chitral outposts. I have now to thank him also for his most kindly mention of myself, and for his statement that my efforts in former years to explain in this Council in as clear a manner as possible the facts in regard to our military expenditure in India have given satisfaction to the commercial classes in India; and I trust that in the statement I shall now make I shall be able satisfactorily to account to him and to this Council for much upon which it is impossible for them, without such statements being made in Council by the Member in charge of the Military Department, to have any real knowledge.

" To the best of my recollection I have never heard the Royal Indian Marine mentioned in this Council, but I am responsible to your Excellency for the estimates of that Service, and I should like to say a few words about them. The Royal Indian Marine is a very important service. It contains more than fifty vessels of various kinds. Of these, two armour-plated turret vessels, two gun-boats, and seven first class torpedo boats, constituting Her Majesty's ships and vessels for the naval defence of India, are in charge of the Royal Navy, and are partly officered by officers of the Royal Indian Marine; four are troopships, which carry out the whole of the Indian Trooping Service between India and Burma, and between the various ports on our coasts, occasionally proceeding to England or elsewhere out of Indian waters; one is used as a despatch vessel in the Persian Gulf, while the remainder are employed in various services, including the Marine Survey and the conveyance of troops by river in Burma and elsewhere.

" This service provides the Port Officers for all the chief ports in India, and the officers for Marine Transport Service and for the Marine Survey. It possesses dockyards at Bombay, Kidderpore and elsewhere, where repairs are carried on for the Royal Navy and for its own ships, where vessels of small size are built, and where services of construction and repair are carried out for Local Governments at actual cost price. Its net budget estimate for the year now closing was 16½ lakhs. The actual expenditure has been about 14 lakhs, showing a saving of 2½ lakhs. The net estimates for the coming year are Rs. 1,36,000 below the estimates for 1895–96.

" I will now proceed to deal with military expenditure, and in speaking on this subject I shall always deal with net figures. I have great satisfaction in bringing to notice that the net expenditure in the Indian estimates for 1894-95, the accounts of which year are now completed, was 6½ lakhs below the budget estimates for that year, although there was an expenditure of 6¾ lakhs on account of the Chitral Expedition in that year for which no provision had been made in the estimates. This is, I believe, the first time for many years that the military expenditure has been within the Indian budget estimates. The Military Works

Works expenditure, the Special Defence expenditure, and the Home expenditure for 1894-95 were all also well within the estimates.

"I now pass to the current year. There are four separate items to be considered:—

1.—The Home Military Budget Estimates.

2.—The Indian Military Budget Estimates.

3.—The Military Works Estimates (India and Home taken together).

4.—Special Defence Estimates (India and Home taken together).

"In the Home estimates there has been a saving of 25 lakhs in expenditure as compared with the estimates. In India there has been an excess over estimates of 108½ lakhs. In the Military Works estimates the expenditure just comes up to the estimates; and in Special Defence estimates there has been a saving of 4 lakhs. Taking the whole of these several estimates together the net excess of expenditure over estimates has been 79½ lakhs.

"There has been expenditure on account of the Chitral Expedition in the Home estimates to the extent of 3 lakhs, in the Indian estimates of 165 lakhs, and in the Military Works estimates of 5½ lakhs, so that the total expenditure upon the Chitral Relief Expedition during the year has been 173½ lakhs. A sum of 15 lakhs only was provided in the estimates, as stated in the Financial Statement of last year, not for an expedition, but for preliminary preparations in case an expedition should become necessary. We have thus an expenditure of 158½ lakhs over what was provided in estimates for preparations for the Chitral Expedition, while the actual expenditure over estimates has been only 79½ lakhs. Thus, but for the Chitral Expedition, the whole of the military expenditure during the current year would have been 79 lakhs below the estimates for the current year.

"The savings in the Home estimates are largely due to causes over which the Government of India has no control. But in those portions of the Home estimates over which the Government of India has control, that is to say, the supply of stores from England, the expenditure has been kept well within the estimates.

"The savings in the Indian budget estimates which have reduced the net excess from 165 lakhs due to the Chitral Expedition to 108½ lakhs are due to various causes. Seventeen lakhs of these savings are due to fall in food prices below the estimated rate; 5½ lakhs are due to diminution in exchange compensation allowance owing to improvement in exchange; 7 lakhs are due to savings on account of conveyance of troops and stores; 5½ lakhs to savings in Commissariat establishments and miscellaneous Commissariat expenditure; 1¾ lakhs to savings in hot weather establishments and barracks supplies; ¾ lakh to saving in sea transport charges; 7½ lakhs to saving in Ordnance establishments and expenditure; ¾ lakh to savings in Remount Depôt charges. All these savings show careful and economical management by heads of departments, upon whom the Government of India pressed the necessity for watching and keeping down expenditure, and to whom, in my opinion, great thanks are due for their efforts to assist the Government and taxpayers in this direction.

"The first great event of the year from the military point of view has been the introduction on the 1st April of the new scheme under which the Presidential Army system was abolished, the control of the armies of Madras and Bombay, hitherto vested in the Governments of those presidencies, was transferred to the Government of India, and their supreme command from the Commanders in Chief in those presidencies to the Commander in Chief in India. During the current financial year there has been but one army in India, under the Commander in Chief in India, and under the Government of India. The system has worked, I believe I may say, without a hitch of any importance, a result which I believe to be due in the first place to the determination of all concerned, including the Lieutenant Generals Commanding in Madras and Bombay, to make the new system work smoothly; and in the second place to the deliberation with which every detail consequent upon the change was considered previous to the change being introduced. The Military Secretariats of the Governments of Madras and Bombay were abolished from the 1st April, and a considerable saving ensued to the civil estimates. The Military Department of

the Government of India made no addition to its higher staff in consequence of the increase of work, and only a small addition to its clerical establishment. Large reductions have been effected in the staff at the head-quarters of the commands in Madras and Bombay; some reductions have been made in the head-quarters staff of the Commander in Chief in India, and further reductions are about to be made on the 1st of April next. But it must be remembered, in considering the reductions that can be made at army head-quarters, that, although the Commander in Chief has got rid of the direct command of the armies of the Punjab and Bengal, he has had thrown upon himself and his staff the supreme command of the armies in Madras and Bombay. The establishments of the two new commands created in the Punjab and Bengal have been kept within most economical limits. Further experience is necessary before the establishments of the four commands and of army head-quarters can be distinctly and finally fixed. But I believe they will be kept, taken as a whole, within the amount sanctioned by the Secretary of State when the scheme was originally introduced; and I can say with confidence that no further increase on account of this change will be required in the office establishment of the Military Department of the Government of India.

"The second great event of the year from the military point of view has been the Chitral Expedition. On the morning of the 7th of March last year, news reached your Excellency's Government leading it to believe that it might be absolutely necessary to send an expedition by way of Swat and Bajaur to relieve the beleaguered garrison of Chitral. The Commander in Chief was absent in Assam. That afternoon I held an interview with the representative of the Quartermaster General's Department present in Calcutta, and the Commissary General in Chief. The latest report of the Intelligence Department upon the steps to be taken for such an expedition was laid before me, and the Commissary General in Chief stated his views. It was clear that owing to our mobilisation arrangements the troops necessary could be assembled on the frontier in a very short time, and that whatever delay might occur in the despatch of the expedition across the frontier would be due to the time required for collecting transport. I laid certain proposals for the collection of transport before your Excellency, and you assembled a Council the same evening which decided that these preparations should be proceeded with. At midnight on the 7th I personally gave the orders to the Commissary General in Chief, and they were telegraphed off the same night, the Commander in Chief being informed. The Commander in Chief returned to Calcutta on the 11th, and at the Council held on the 14th March it was decided, on his Excellency's recommendation, to issue instructions for the mobilisation of the First Division of the field army, with certain modifications due to the special nature of the country between our frontier and Chitral. It was then still hoped that an expedition might be avoided, but before the end of March that hope was dead; and on the 1st of April, the day named in your Excellency's ultimatum to Umra Khan, within 18 days from the order for mobilisation, a force of upwards of 15,000 men advanced across the frontier. The despatch of that force under the command of Sir Robert Low, its complete success in the storming of that most difficult position, the Malakand Pass, and its rapid advance into Dir, enabled Colonel Kelly, with a small force of Pioneers, Kashmir Imperial Service Troops, and native levies, to effect the relief of the garrison of Chitral, at a time when they were closely pressed by the enemy, and when their provisions would shortly have been exhausted.

"Your Excellency's Government in a General Order has expressed its sense of the services of Sir Robert Low and Colonel Kelly and the troops under their command, and Her Majesty's Government has endorsed those expressions. But there are some points in connection with that expedition to which I now wish to draw attention. But for the delay which occurred in the hire and purchase of transport at the outset, the expedition might have started sooner. This delay was in no way due to any neglect on the part of the Government or the military authorities. For a considerable time past the whole of the arrangements for the purchase of transport in the event of war had been matured. Civil officers of districts had taken steps to ascertain where and how the transport animals could best be procured, purchasing officers had been told off and placed in communication with the civil authorities. The delay was due in part to the time actually necessary for collecting the animals, in part to hesitation

hesitation of owners to hire or sell them. Once it had started, the expedition was, I may safely assert, an unqualified success. Owing to the good medical arrangements the health of the troops was on the whole excellent. Fearing that owing to the necessity for rapidity of movement the troops might be obliged to put up with short rations for some time, permission to give compensation to the men in such cases was granted by Government; but such were the commissariat arrangements that in no single case were we called upon to grant that compensation. As soon as the first rush was over, and the line of communications was thoroughly established under the able direction of General Stedman, the staging system of transport was introduced throughout with the most admirable results. The condition of the Government transport at the end of the campaign was excellent. I believe it may safely be said that in no campaign ever yet conducted on the Indian frontier has there been so little loss in mule transport, or have the animals been in such good condition at the close of the campaign. As regards camels, the same can only to a certain extent be said. We were dependent entirely upon hired camels or upon camels purchased expressly for the campaign. The Government has no establishment of camels in peace, and has therefore no means of training officers and men to the care and supervision of those most delicate animals. The result is that the management and working of camels is not understood as it should be by our Transport Department. The hired camels did better in the campaign than the camels which we had purchased, the reason being that where camels were hired they were accompanied by the trained camel drivers of their owners, who looked after them in their masters' interests. But the number which could be hired was extremely small, and at the very outset the Government was obliged to have recourse to purchase. Having no trained establishment of drivers of its own, it had to engage as transport drivers any men who were willing to take such service, and they were nearly all utterly inexperienced in the work. The result has been that, while comparatively few camels actually died on the campaign, the camels purchased by Government have for the most part so broken down in health that it has been found impracticable to retain any but a very small number of them for future use. I shall state presently how the Government of India propose to remedy this great defect in our preparation for war in the future.

"The expedition has been invaluable to us as a test of the mobilisation arrangements for a whole division of the field army. It would be too much to say that those arrangements were found perfect. No army in the world, so far as I know, and I have been a great student of these matters, has ever found its mobilisation arrangements perfect, though all the skill and experience of its ablest experts has been brought to bear upon them. But with a few exceptions the mobilisation arrangements were found thoroughly sound, practical, and easy to work. The campaign has also taught a great lesson to our military authorities in the working of the lines of communication of an army. And I feel confident that, in any future campaign, that experience will bear most valuable fruit, both in the form of comfort and saving of suffering to the troops engaged, and in the form of reducing waste of transport. The campaign has also been of great value in testing the Imperial Service Troops. The Kashmir Imperial Service Troops showed very fine qualities, and the greatest advantage was derived from the admirably organised transport corps of the Maharajas of Gwalior and Jeypore, who placed those corps at our disposal. And I would take this opportunity of expressing my hope that further efforts may be made by the Native Rulers of India to organise such transport corps, which cannot fail to be of the greatest service in any considerable campaign. I wish to bring prominently to notice the fact that the charges for this campaign include the whole cost of an excellent metalled road from Hoti Mardan to the Swat River, of the bridging of that river and the Panjkora, and of the pack road which has been constructed from the Swat River to Chitral, as well as the construction of forts and barracks for the troops at the Malakand, at Chakdara, and in Chitral. There, I may say in answer to the Hon'ble Mr. Playfair, will be no charge on account of these barracks and defences in the Special Defence estimates; and a small addition to the Military Works estimates of the coming year, which I shall presently mention, completes the provision for them.

"I now turn to the estimates for 1896–97. Here again I have to deal with the four estimates :—

1.—Home Budget Estimates.
2.—Indian Budget Estimates.
3.—Military Works Estimates.
4.—Special Defence Estimates.

"The Home Budget estimates, as compared with the estimates of 1895–96, show a decrease of rather more than 5 lakhs of rupees. These estimates are so complicated by causes over which the Government of India has no control, such as payments to the War Office for services, and payments for stores, rising or falling according as the payments are made in one year or another, that I can say nothing about them, except this one simple fact, that that portion of them over which the Government of India has control, namely, its demands for stores, shows a saving of 14 lakhs in the estimates of 1896–97 as compared with the similar demands for 1895–96. This is largely due to manufacture in this country having replaced manufacture at home. The Indian Budget estimates for 1896–97 (I am dealing with net figures) show an increase of 39 lakhs over the Budget estimates for 1895–96. The Military Works estimates show an increase of 6 lakhs over the estimates for 1895–96, and the Special Defence estimates show a decrease of 10 lakhs. So that the whole of the Military estimates for which the Government of India is responsible, taken together, show a net increase over those of the current year of only 21 lakhs of rupees.

"This Council is aware that a Royal Commission is now sitting in England to discuss the apportionment of Home charges between the mother country and India. We have sent home officers specially versed in this question, including Sir Edwin Collen and Captain Hext, to give evidence before that Commission, and we hope that its report may be in favour of giving some relief to India in the matter of the Home charges.

"The Indian Budget estimates for 1896–97 include three great items of expenditure which have not appeared in former Budget estimates. The first of these is an addition of 11 lakhs to the pay for the Native army. The estimates of the current year only include the extra pay given to the sepoy from 1st July last for eight months of the year; in next year's estimates twelve months have to be provided for, causing this increase of 11 lakhs. There is an item of 49½ lakhs for preparation for mobilisation, concerning which I shall speak presently; and the cost of the occupation of Chitral and the line of communications to it, and of the relief of troops, which has to be carried out during the current year, adds 23 lakhs to the estimates. These three items amount to 83½ lakhs as against 39 lakhs of excess over last year's estimates, and the difference of 44½ lakhs may be roughly accounted for in the following way. Thirteen lakhs is on account of the Chitral Expedition, 15 lakhs having been provided in the current year's estimates, and only 2 lakhs being required for arrear charges in the estimates for 1896–97. The adoption of a more favourable rate of exchange causes a saving of 13 lakhs in exchange compensation, and 5 lakhs on account of the pay of the British soldier. There is a saving of 6 lakhs on account of lower estimate for food prices for men and animals, and the remaining 7½ lakhs of savings is spread over a great number of items which it is not necessary for me to enter upon.

"Economies are constantly being introduced on the recommendation of the Commander-in-Chief, or Heads of Departments, or the Controllers. On the other hand, new demands are constantly being made upon us for additional expenditure on account of necessary services, and in the interests of improvement and progress. It would be useless for me to weary the Council with a long list of the economies effected on the one side, and the additional expenditure sanctioned on the other side. It is sufficient to point out that apart from the great items which I have already mentioned, the net result of this is a saving of between 7 and 8 lakhs in the coming year.

"As regards the three great items of addition to the estimates which I have named, that on account of pay for the Native soldier explains itself. The pay of the dismounted branches of the army was raised by Rs. 2 a month from the 1st of

1st of July last, with, I think I may say, the unanimous approval of this Council.

" The expenditure due to the occupation of Chitral has been kept as low as possible. That expenditure is due to the deliberately adopted policy of the Government of India, endorsed and approved by Her Majesty's Government. It is not for me to defend that policy, heartily as I approve it. All that I need say is that up to the present date it has been attended with complete success from every point of view. The troops in Chitral and at the Malakand are on a war footing. They are ready to take the field at a moment's notice. They are healthy; their transport is in excellent condition, and, though the service may be somewhat irksome, especially for the troops in Chitral, they receive the prescribed pecuniary and other concessions which render them contented. The inhabitants of Swat, Dir, and Chitral, find their advantage in the markets created by the presence of our troops; and in the coming year it is believed that the greatest portion of the supplies required will be obtained by local purchase. Trade between these countries and India has very largely increased. It is intended to reduce the garrison of the Malakand by one regiment of infantry during this year; and I look forward with confidence to further reductions becoming possible within a short period of time. Against the expenditure under the head of 'Occupation of Chitral' has to be set the saving due to the withdrawal of the regiment of native infantry from Gilgit, which was made possible by the occupation of Chitral, and proposals for further reductions in the cost of the Gilgit Agency are under consideration.

" As regards the large sum of 49½ lakhs included in the estimates for the preparations for mobliisation, I will, with the permission of the Council, explain to what this is due. Preparation for mobilisation is comparatively a new branch of the science of war. It is an outgrowth of modern times. When once one army had prepared itself in every detail to pass with great rapidity from a peace footing to a war footing, it became necessary for other armies to follow in the same direction. The field army of India consists of a certain number of divisions, each including a cavalry brigade, and of an additional force of cavalry and of reserve artillery. The arrangements for the mobilisation of this army, which is quite apart from the garrisons which will have to be maintained in India in case of the field army marching to the frontier, have been worked out in every detail upon paper. But the equipment, stores, and mules, required for mobilisation have only been provided as yet for a part of that army, and, until they have been provided for the whole of it, our field army cannot be considered ready for war. Great delay would occur in procuring from England the stores and equipment which must be obtained thence, and in the manufacturing in this country of such stores as could not be obtained ready in the local markets. And it would be practically impossible to purchase at short notice in this country the mules that would be required. Were circumstances to compel us to mobilise our field army, it is the opinion of your Excellency's Government that the attitude of the frontier tribes would largely depend upon our ability to advance rapidly and in perfect order; while, in the event of our having to meet a strong enemy, there would be great risk in pushing forward only a portion of our army, when weeks and even months might pass before the remainder could be in a posit on to support it.

" These grave considerations have not been absent from the minds of the Government of India, but in recent years financial considerations have prevented our making the preparations which we considered necessary. The time has now come when we consider that these preparations should no longer be delayed, and we have therefore, with the full approval of the Secretary of State, made the necessary provision in the estimates of the coming financial year for obtaining such equipment and stores as could not be at once obtained locally at the time of mobilisation, and for such number of the mules required as we believe can be purchased within twelve months at ordinary rates in the local market.

" If our field army were to be mobilised, in order to bring the reserve cavalry, the reserve artillery and the line of communication troops, up to war strength, nearly 1,000 artillery horses would be required, and to obtain these we should have to take them from the batteries remaining with the garrisons in India,

which would thus be so depleted as to be scarcely fit for fighting purposes. To bring these batteries up to war strength we should have to purchase in Australia, for this country does not provide horses fit for artillery, and a long time would elapse before the horses, which would arrive raw, unbroken and unacclimatised, could be fit for service. More than four years ago we brought this to the notice of the Secretary of State, and we obtained his permission to provide a reserve of 1,000 horses whenever our funds would admit of it. Up to the present time we have been unable to make this provision. But with the approval of the Secretary of State it has now been made in the estimates for the coming year.

"Experience has shown us that the greatest delay in the starting of every expedition is caused by the time that is required to obtain camels for transport purposes. This was specially marked in the case of the despatch of the Chitral Relief Force. A week had passed from the date of our orders before any camels had been obtained in the districts. It was found impossible to hire in sufficient numbers, and resort had to be made to purchase, with the results which I have already described in speaking of that expedition. Time is necessarily involved in the despatch of purchasing officers to the districts in which camels are to be procured, in sending orders to the district civil officers, in the issue of instructions by them for the collection of transport, and in the collection of that transport. Valuable time which might be utilised in the formation of advanced depôts is thus lost. Year by year the number of camels that can be procured for transport purposes in India is diminishing, as railways take the place of camel transport, and our difficulties on this score are increasing. The troops can always be moved in far less time than it takes to collect the stores and supplies in the advanced depôts, and we consider it of great importance to minimise this delay as far as possible. We have, therefore, with the Secretary of State's approval, made provision in the estimates of the coming year for the purchase of sufficient camels to complete an establishment of 3,250, which we propose to maintain in future, so that they will be immediately available, and can be utilised for the formation of advanced depôts, even before formal orders for mobilisation issue. We look to another immense advantage from the purchase of these camels. By thus maintaining an establishment of camel transport, the Government will be able to educate both officers and attendants in the care and management of camels, and will have a considerable nucleus of trained camel attendants who will be able to superintend those large numbers of hired and purchased camels—no less than 40,000 transport animals were employed with the Chitral Relief Force—which it is always necessary to obtain in case of an expedition. We believe that this will bring great advantages to us in any future campaign.

"The provision which we have made in the estimates provides under the head 'Rations for men' for all home supplies required for the field army; local supplies could not wisely be laid in, having regard to the stocks already maintained, which are as much as can be turned over. Under the head 'Rations for animals' provision has been made for the purchase of fodder for the concentration period, for the fodder to accompany corps, for the marching stages, and for one-fourth of the reserve. The remainder of the fodder could not wisely be laid in for the same reason as in the case of rations for men, but provision has been made for the provision of the fodder presses and engines required for pressing this amount on the occasion arising.

"Under the head 'Clothing' a full reserve of articles required has been provided for troops and followers, with certain deliberately considered exceptions.

"Under 'Transport Animals' provision has been made for the purchase of 1,750 mules and 3,250 camels; bullocks, it is believed, could be purchased when required. Employment for the mules and the camels can be found during peace, and there will be a saving on account of hire of transport in consequence. Bullocks, on the other hand, could not be economically employed during peace time. Provision has been made for the camel gear, transport carts, transport gear, water gear, regimental equipments, ambulance equipments, artificers' tools, stationery, forms, office furniture, miscellaneous equipment and packing materials, to enable our field army to take the field without delay.

"Under

"Under 'Ordnance' provision has been made for all the stores required from home, and for local expenditure in providing the tents, harness, saddlery, ordnance stores for medical and veterinary hospitals, entrenching tools, ammunition boxes, and general stores for ammunition columns and field parks. In the Medical Department the medical and surgical stores, commissariat stores, equipment and furniture, required to complete the equipment of the field hospitals of the whole field army have been provided for. In the Veterinary Department the whole of the veterinary equipment and medicines, instruments and other supplies required, will be purchased. Eight hundred and fifty artillery horses will be purchased in the coming cold season, and the shippers have already received notice that this number will be required; we already possess a reserve of about 150 horses. One thousand seven hundred and fifty mules and 3,250 camels with their gear will be provided. The establishments for the care of the horses, mules, and camels, are provided for in the estimates.

"It is evident that the maintenance of these additional animals involves a recurring charge in the estimates annually, and there will be a certain small annual charge for deterioration of stores and for compressing forage. For the year 1896-97 this recurring charge is estimated at a little under 6 lakhs; so that of the 49½ lakhs 43½ lakhs are an initial charge, which will drop out of the estimates in future years. But, on the other hand, it is estimated that in future years the recurring charge, which for the present year will be only 6 lakhs, will rise in round numbers to 13 lakhs. This initial charge of 43½ lakhs, and this annual recurring charge of 13 lakhs, do not, in my opinion, provide all that is required. The number of mules should, I consider, be increased in future years by about 2,700, and the number of camels be raised from 3,250 to 6,500. This would involve an additional initial expenditure of about 7 lakhs, and an additional annual expenditure of between 10 and 12 lakhs. These initial and annual charges are the price which India must pay for having its army ready for war. I believe that there is no greater extravagance than to maintain a large army and to keep that army unready for war. There is, it seems to me, but one excuse for military expenditure, that, when the army on whose account this expenditure has been incurred is called upon to take the field, it shall be ready to do so promptly and in perfect order. I believe that, when these preparations have been fully completed, the Army of India will be in every detail as ready to take the field and as able to give a good account of its enemies as any army in the world.

"The increase of 6 lakhs in the Military Works estimates for this year is due to the provision of 4 lakhs for a cantonment in the Tochi Valley and 2 lakhs for works connected with the occupation of Chitral.

"Special Defence estimates for the coming year are 5¾ lakhs, as against 15½ lakhs in the current year and 22 lakhs in the year 1894-95. In the Budget estimate for the current year sufficient provision was made for nearly carrying to completion the whole programme of Special Defences, with the exception only of those items which the Government of India have decided should be abandoned or indefinitely postponed. But it was found impossible to spend the whole of the money during the year, and about 4 lakhs have lapsed from one cause or another. The Budget provision for 1896-97 is chiefly for carrying out works provided for, but not executed, in 1895-96. Two new items only have been brought forward, namely, an extension of the sea-wall at Middle Ground Battery, Bombay, which is necessary for the security of the work, and a new main magazine at Bombay. The provision made in 1896-97 should suffice to carry the Special Defence programme to completion, so far as it is considered desirable to carry out the original programme, and these Special Defence estimates should in future years disappear.

"My Lord, this is the last time that I shall speak or sit in this Council, and I will ask its indulgence while I mention briefly a few of the chief reforms which have been carried out, during the past five years, in the Departments of which I have been in charge.

"In the Royal Indian Marine, under the direction of that able officer, Captain Hext, while the tone and spirit of the service have greatly improved, there is not one test by which you can measure the work done which will not show that economy has been effected. Whether you take the cost per mile

run of the ships, the cost per head of men conveyed by them, or the cost per ton of the vessels maintained, the charge is less than it was five years ago.

"Turning to the reforms in the Military Department, these have all had one of two objects, either the effecting of economy, or the making the army of India a more perfect instrument for war. First among these in time and date, and second to none in importance, is the reorganisation of the Intelligence Department at Army head-quarters. Upon the information of the Intelligence Department depends and must depend in all armies the original direction and impetus given to the army at the commencement of a campaign. And it is a well-known military axiom that, if the original impetus given is in the right direction and with sufficient force, half the campaign is already won. The Intelligence Department was insufficiently officered, and was stinted in funds. It was entirely reorganised and granted sufficient money to enable it to carry on its work, and was placed in charge of that most able officer, Colonel Elles, under whom and his successor it has become, I believe, as good as any Intelligence Department can be. The Chitral Relief Expedition was carried out, with scarcely any alteration, on the lines indicated in the Intelligence Department memorandum which I have already spoken of as having been placed in my hands on the 7th of March of last year.

"The next great reform has been in our mobilisation system. Five years ago this was only in embryo, and none of the present details had been worked out. A little less than five years ago the Mobilisation Committee, of which Lord Roberts was President, met at Simla, and the lines upon which mobilisation was to proceed were definitely decided. It was felt that a large committee was not the right machinery for carrying out a system full of extraordinarily complicated details, and a section was created in the Quartermaster-General's Department under the charge of that most valuable officer, Captain Kemball, for the purpose of working out all the details and keeping them constantly up to date. The troops to form the several brigades and divisions of the field army have been told off. Those of the first divisions have been supplied with their regimental equipment for war; transport, equipment, and stores, for the mobilisation of the first two divisions have been collected at the strategic points laid down. Field Service Manuals containing instructions for all arms and departments in case of mobilisation have been printed. The corps composing the field army are kept warned; the Staff and Army Departments are told off; railway time tables for the movement of the whole field army and its stores for long distances have been prepared in concert with the railway authorities. By the end of March 1897, thanks to the provision made in the estimates for the coming year, the entire equipment and stores required for the whole field army will be in readiness.

"Our establishment of transport, which is our greatest difficulty in India, was increased by 2,000 mules in 1891, and will be again increased, as I have already explained, in the coming year, and at the end of the year we should, as I have said, be in possession of a nucleus of camel transport.

"Of the abolition of the Presidential Army System, and of the substitution for it of a single army of India, I have already spoken. This great reform had been so long delayed, though so constantly urged by successive Indian Governments, that it still seems to me almost difficult to believe that this dream has been so quietly and completely realised.

"The Coast Defences at Karachi, Bombay, Calcutta, Madras, and Rangoon, have been brought to completion, and the defence vessels of the Royal Indian Marine have been placed under the control of the Admiral commanding the East Indian Squadron, by whom they will be utilised in case of war with a maritime power.

"The defences of the North-West Frontier, including the lines of Quetta and the great bridge heads on the Indus at Sukkur and at Attock, have been completed. A series of forts have been completed at Rawal Pindi, forming a strong entrenched position. These forts required a long time for construction, and the Government of India thought it well that they should be made. But it has been decided to postpone the construction of the intermediate batteries, as these could comparatively rapidly be made, and in view of the great progress of modern military science it is thought that the armament should not yet be procured.

"Great progress has also been made in the armament of the troops. The Horse

Horse and Field Artillery have been armed with 12-pounder breech-loading guns, and every encouragement is given to them in the way of grants of ammunition and prizes to make the most of good shooting of that weapon. The British Infantry has been armed with the Lee-Metford magazine rifle, a most satisfactory arm. The only complaint made in regard to this weapon has been that the small bore bullet has not, at short ranges, sufficient stopping power. Experiments have been conducted with a view to remedying this defect, and there is every reason to believe that a complete remedy has been found in a modification of the bullet. The Native Infantry and Cavalry have been armed with Martini-Henry rifles and carbines in place of Sniders, while the Sniders returned by the Native Infantry have, after conversion into smooth-bores, been handed over to the armed police. The shooting of both the British and Native Infantry is eminently satisfactory. Large grants of free ammunition are made for practice, and the troops are allowed to purchase, within certain limits, additional ammunition at considerably reduced prices.

"Great progress has been made in the manufacturing departments, and India is now turning out all her own small-arm ammunition, is making her own cartridge metal, gun fittings for the latest types of guns, powder, accoutrements, harness, and saddlery, to keep pace with the extended needs of the army in India; while under the able direction of Captain Mahon, and of General Walker, the Director-General of Ordnance, the manufacture of steel and steel projectiles has been successfully introduced at Cossipore.

"As examples of the economy of substituting Indian manufactures for articles from home, I may mention that the English price of Martini-Henry rifle cartridges is Rs. 71 per 1,000, and we manufacture them in India for Rs. 49 per 1,000. The English price of Lee-Metford cordite cartridges is Rs. 108 per 1,000; we manufacture them in India for Rs. 83 per 1,000. Twelve-pounder shrapnel shells cost in England Rs. 837 per 100; we manufacture them for Rs. 710. In every proposal for new manufacture in this country the Ordnance Department has been required to show that the local manufacture will be economical; and the result of our advance in this direction has been that every material increase in the Ordnance Indian Budget Estimate has been counterbalanced by a large reduction in the Home Estimates. The official Financial Review shows that in 1894–95 a saving of close upon 20 lakhs was effected during that year in the Bengal Ordnance Factories by local manufacture having taken the place of importation of stores.

"A Proof Department has been established at Balasore for the practical test of projectiles, fuzes, &c., made in India, before they are passed into the service.

"We have not as yet attempted the manufacture of cordite in India. For some time there was a doubt as to its suitability for standing the heat of India, as it failed in some cases to fulfil the War Office standard heat test. But its ballistic properties, even when it failed to fulfil this test, were unimpaired, and the War Office have recently acknowledged that the test, not the cordite, was in fault. The test has been reduced, the cordite thoroughly meets the requirements of the new test, and all anxiety has been removed. It causes rather excessive wear of the Lee-Metford rifle barrels. I have no doubt that means will be found of removing this drawback; and it is probable that in a rifle of larger calibre this wear would not take place; but, pending certainty on this point, cordite is not being introduced for the Native army. We are still experimenting to obtain a thoroughly satisfactory rolled cartridge case for the Henry-Martini rifle, as this will cost very much less than the solid-drawn cartridge case in use with the Lee-Metford. I have no hesitation in saying that we are on the point of success. There would undoubtedly be difficulties attending the manufacture of cordite in this country, and we do not propose to attempt it, unless there is reason to suppose we cannot obtain our full requirements at a reasonable rate from England. There would be no danger in depending upon England for it, as we should always keep a four-years' supply in this country.

"The greatly increased duties of the Ordnance Department have been hitherto carried out without increase to its staff; but it is under-officered, and, as this is not true economy, provision has been made in the Estimates of the coming year for an increase of five officers to the department.

"The Commissariat Department has shown itself effective and successful in

the many expeditions and campaigns that have taken place in the last five years, campaigns for the most part conducted in wild countries where it is most difficult to obtain supplies; and searching inquiries have convinced me that in time of peace its administration is as economical as can reasonably be expected.

"Lieutenants-General Commanding have, since the 1st of April last, been invested with the control over the Commissariat Department within their respective commands, and are responsible for its maintenance in an efficient condition, as well as for strict economy in its administration. The Commissaries-General have been placed on their departmental staff; and Commissariat officers have been made Staff officers of the Generals or other officers commanding districts or stations.

"The principle that, as far as possible, supplies and services should be arranged for by contract rather than by departmental agency has been carefully observed, and in the Bombay Command especially very considerable savings have been effected by introducing important changes in this direction.

"In all cases where Indian manufactures can be obtained as good in quality as imported articles, and no dearer in price, they have been substituted for imported articles. The gain in 1891–92 resulting from the use of stores manufactured in India, in substitution for stores formerly imported through the Secretary of State, was Rs. 5,37,000, and in 1894–95, Rs. 16,50,000.

"The bread supply of the troops has received careful attention. An officer of the Commissariat was deputed to inspect mills and private bakeries in England in 1892, and consequent on his report schools of instruction have been established for the training of European departmental subordinates in bread-making, instructors having been obtained from Home. A Native bakery class was established at Rawal Pindi, and a second class is about to be held in the coming year. With a view to checking the spread of enteric fever, dairy farms have been established at several stations throughout India and Burma. Officers have been trained in meat inspection since 1893. The entire supply of tinned meat is now obtained direct from the British Colonies, the supplies so obtained being better and cheaper than the American meats previously obtained from England.

"The spread of cultivation having made it almost impossible to obtain grass through the agency of grass-cutters from waste land, a system of grass cultivation was inaugurated in 1887. During the past five years these operations have been extended very considerably, and have been very successful, financially and otherwise. Grass farms and rukhs are now existing practically to the full extent necessary in the Bengal and Punjab Commands, and Government have recently sanctioned the extension of the system to the Bombay Command. In the Bengal and Punjab Commands, in 1894–95, the Financial Review shows that these grass operations resulted in a saving of Rs. 2,74,000, besides which there were further indirect savings by the reduction of claims from Silladar Cavalry corps for compensation for dearness of forage.

"It has been satisfactorily proved that the Commissariat rates for supplies are well within market rates, and that the compensation for dearness of food and forage given to troops corresponds fairly accurately with the fluctuation in those rates. The department suffered great loss this year in the removal of its able chief, General Badcock. But in his new position as Quartermaster-General his valuable advice will still be available to the Government.

"In the Clothing Department every effort has been made to substitute clothing materials of *bonâ fide* Indian manufacture for imported articles, in order to encourage local industries and in view to economy. The gain to the State by this procedure was in 1891–92 Rs. 1,68,000, and in 1894–95 Rs. 3,33,000. As a specimen of the success attending these efforts, I may mention that the white drill for the summer clothing of British troops, which costs about 3½*d.* a yard manufactured in India, was reported upon by the Store Department of the India Office to be superior to the material costing about 4½*d.* a yard previously supplied from England, or to any material which could be manufactured in England at the price.

"The whole of the boots for the British troops serving in India are now made by Messrs. Cooper, Allen, & Co., of Cawnpore. They are cheaper and at least as good as the boots previously supplied from England.

"Helmets, formerly obtained from Home, and costing, up to 1892, Rs. 3.14, are

are now made in India for Rs. 2,,12. Many internal improvements have been introduced in the Clothing Department.

"In the Military Works Department great progress has been made in the direction of sanitation. Pure water supply has been laid down at a large number of the military stations in India, including Secunderabad, Delhi, Agra, Lucknow, Allahabad, Dum-Dum, Rawal Pindi, Murree, and Quetta; and each year the number of such stations is being added to. Provision has been made in the Estimates of the coming year for the water supply of the civil and military station of Bangalore, to which my honourable friend Mr. Rees has alluded; not for the whole cost of that scheme, but for as much as it is believed can be usefully expended upon it during the financial year. Improved systems of conservancy have been introduced, and we are now experimenting at several stations with different kinds of incinerators, by which method of disposal of the solid products of sewage it is to be hoped that the health of our troops may be greatly improved.

"In one most important matter, the horsing of the cavalry and artillery, considerable advance has been made. For horses for our artillery and for the greater part of the British cavalry we are dependent upon Australia, and it became necessary to raise the prices which had hitherto been given, as the supply was falling off in consequence of the diminished value of the rupee. The price now given is 45*l.* sterling, with which the shippers are thoroughly content, and I believe that I may confidently say that nowhere in the world are any cavalry and artillery so well horsed as ours are in India. Three regiments of British cavalry are now mounted on country-breds, by which a considerable saving is effected. But at present the local markets do not supply horses fit for this purpose in sufficient numbers to mount more than three British regiments.

"It is impossible to buy country-bred horses of an age fit for issue as remounts. Young horses, if left with the zamindars who have bred them, are worked too young, and are not sufficiently well fed or allowed sufficient freedom in that early stage of a horse's life when his growth depends upon good feeding and freedom. Consequently, the Government has established rearing depôts at Ahmednagar, Hapur, and Kurnal. It buys, every year, some hundreds of young stock at eighteen months of age and over, and rears them in the very best conditions under its own care, issuing them when fit as remounts. The age of issue of remounts to British cavalry and artillery has been raised from four years to five years. Although this involves an additional initial expenditure in the cost of the horse when issued, there is no doubt that horses which are not worked till five years old will last longer and stand the strain of heavy weights better than horses which are worked at an earlier age. The Government horse depôts have been strictly limited to their functions of rearing, breaking, and acclimatising horses. The old stud system, abolished several years ago, but which had begun again to crop up, was absolutely abolished and forbidden four years ago. There is now no competition whatever between the Government and the private breeders in the matter of breeding horses. The Government of India is indebted to Colonel Deane, Director of Army Remounts, for his loyal co-operation in its orders in this respect, and for his excellent management of the remount depôts.

"A great improvement in horse-breeding in India has taken place. There is a distinct improvement in the quality of the horses at the fairs upon which the Silladar cavalry are dependent for their remounts. The present Inspector General of the Civil Veterinary Department, Veterinary Colonel Queripel, is an enthusiast on the subject of horse-breeding, and I have little doubt that it will improve greatly in his hands. He has induced several of the Native States to take the question up.

"Mule-breeding, too, has made considerable progress. We have imported first class donkey stallions from Europe and elsewhere, and for the past three years we have been able to obtain the whole of our requirements in mules, both for transport and for ordnance purposes, within the limits of India.

"As regards the *personnel* of the army, the British soldier is well paid. He receives the equivalent of his sterling pay at the current official rate of exchange; and, as his expenditure is all in India, he has benefited by the fall in the sterling value of the rupee. He is well fed, well housed, and well clothed, and a new clothing scheme is on the point of being introduced, which, while it results in

economy to the State, will also save the pocket of the soldier, and will ensure his always being clothed in a dress suitable to the climate, the cloth clothing worn in England being, with the exception of certain regiments, abolished for India.

"As regards the Native army, the opinion of the military authorities has long been that class regiments are better fitted for war than regiments composed of several classes. And in this direction progress has been made. Sixteen mixed battalions of Hindustani regiments have been reconstituted into class regiments of Brahmins, Rajputs, Jats, and Muhammadans. And in Madras seven battalions of infantry have been reconstituted by transforming battalions of military police, composed of Gurkhas, Sikhs, Punjabis, and other hardy and valiant races, into local battalions for service in Burma. In Bombay a class company system has been introduced, and two regiments have been converted into local corps, for service in Baluchistan, composed of warlike tribes of Northern India. It is believed that the class company system will result in our obtaining recruits of a better stamp than those obtainable under the old system in which men of all classes were indiscriminately mixed together.

"An improved system of recruiting has been introduced, under which officers specially selected are told off for the recruiting of certain classes of soldiers in the Punjab, in Bengal, and in Bombay. This system cannot yet be introduced into Madras, for the authorities there have not as yet sufficient information as to the classes suitable for recruitment in that command; but the existing system of recruiting there has been improved, and certain unwarlike races will no longer be recruited.

"The increase of pay of Rs. 2 granted to the dismounted branches of the Native army in the current year is already having its effect in an improvement in the class of men who join the army. And I may mention that the deficiency in the strength of the army as compared with sanctioned establishments was a thousand less on the 1st of this month than on the 1st of March last year. There is little doubt that, as the increased advantages given to the soldier become more widely known, their effect will become more marked.

"One great step is being taken towards the comfort of the Native soldier. The old system under which he built his own lines, receiving a hutting and repair allowance from the Government, is being gradually replaced by a system under which good lines of an improved pattern are being built for him by the Government, and maintained at the expense of Government. The estimates for the current year and coming year each contain a grant sufficient to build from three to four new sets of lines, and at the end of a few years all the Native infantry should be decently and comfortably housed.

"An Act was passed in this Legislative Council in 1894 revising and amending the Indian Articles of War, and they are now thoroughly adapted to the disciplinary requirements of the Native army.

"As regards the numbers of the army, there has been practically no addition to the army during the past five years, and the occupation of all the new territory which has come under our control, whether on the frontiers of Burma, or on the north-west frontier of India, has been provided for by the redistribution of the troops.

"But the reserves of the Native army, which stood on the 1st of April 1891 at a strength of 7,093, now stand at a strength of 15,567. These are all thoroughly trained soldiers within good fighting limits of age. They are called up annually and trained at the centres of the regiments to which they belong, and they will be a most substantial and valuable addition to our army in case of its having to take the field.

"Finally, there are the Imperial service troops, which have to a great extent taken the place of the large inferior and undisciplined armies formerly kept up by the Native States in India. They have made great progress under the Inspector General, Colonel Melliss, during the past five years. By the latest report in the hands of Government these troops numbered 7,970 cavalry, 289 artillery, 303 sappers and miners, 9,015 infantry, 497 camel corps, and 942 transport corps, a total of 18,710, with 1,400 transport ponies and 600 carts. The troops are trained under the supervision of British officers, they have recently been armed with Martini-Henry rifles, and many of them have now reached a stage of efficiency which, in the opinion of the Commander-in-Chief, would render them valuable auxiliaries to our army in the field. To the services of the

the Kashmir Imperial service troops and of the transport corps of Jeypore and Gwalior in the Chitral Relief Expedition I have already alluded.

"On the European side, the Volunteers, who in April 1891 numbered less than 20,000 efficients and less than 23,000 enrolled, now number nearly 24,000 efficients and nearly 30,000 enrolled. Additional concessions have been given to them in the way of grants for camps of exercise and field days, relieving the pockets of the officers of expense, and for construction of armouries, head-quarters buildings, etc. By the Act passed a fortnight ago the Governor General in Council has obtained power to call out the Volunteers for actual military service in case of emergency, and to provide them with pay, supplies, and transport, and to give pensions and gratuities to them and their families in case of wounds or death.

"These, my Lord, are some of the great improvements which have been made in the army in the past five years. When my predecessor in office, the late General Sir George Chesney, left India, he left behind him an important and long minute on the Indian Army and Military Administration, in which he recommended certain improvements and reforms. Some few of these have been deliberately considered and rejected, but the rest, with one exception, have been either entirely carried out, or are in actual progress. That one exception is an increase to the number of British officers with the Native army.

"Were it necessary now for me to write for my successor such a minute, I should confine my expression of the wants of the army of India to three points —more transport, more officers, and more garrison artillery. I hope that that transport may be provided in the next year or two. Our forts and batteries are undermanned, but it has not been in our power to provide the money for an increase to the garrison artillery establishments.

"The greatest want, in my opinion, and, I know, in the opinion of the Commander-in-Chief, is an increase to the number of British officers. We have endeavoured to meet this by establishing a reserve of officers, but the attempt has been a failure. Civilians in the service of the State would be far too heavily occupied with their own duties for us to be able to count upon their service with the army in case of war; and the number of British civilians in India not in the service of the State is so small, and they are all such busy men, that it is little wonder that we have had but few applications to join the reserve of officers. Yet, upon the outbreak of war, we ought to increase the number of European officers with every unit of the Native army, and we should require some hundreds of officers for transport duties, and for various staff appointments in the field. Where to lay hands upon these officers is a problem that has not yet been solved. Should the finances of India improve, I earnestly hope that this question will not be lost sight of.

"In addition to the reforms which I have above enumerated, there is one which is unknown outside the walls of the Military and Finance Departments and the India Office in London, and that is the internal reform of our military financial system. The system which I found in existence was one that did not give sufficient control even in times when money was plentiful, and was utterly unsuited for times of difficulty. The Military Members of Council and Finance Department did not have that control over military expenditure which they should have had. For that system one has been substituted, under which not one rupee of additional expenditure can be sanctioned by any one but the Military Member of Council himself, under which no expenditure not provided for in the estimates is sanctioned during any current year, unless it is of absolute and urgent necessity, and no fresh expenditure is added to future estimates until after the Military and Financial Members have personally agreed upon the amount available for military expenditure within which the estimates must be kept. I take this opportunity of expressing my sense of deep personal indebtedness to Colonel Miley, the Military Accountant-General, for his untiring efforts to assist me in carrying out these reforms, and in effecting true economy. I would like to give this Council one specimen of the Accountant-General's work, which will, I think, convey confidence to the minds of this Council and of the public; especially to those who remember the failure to forecast the expenditure in the Afghan war. Within about five weeks from the starting of the Chitral Relief Force, the Accountant-General sent to the Finance Department his approximate estimate of the cost of the expedition. It was a full estimate, in which an allowance had been made for contingencies

under each separate head. The actual expenditure has been 19 per cent. below the Accountant-General's estimate. I can assure this Council that the most rigid economy is now practised in all matters of military expenditure, that no effort is spared by the Military Department, by the Commander-in-Chief, and the heads of departments to effect reductions of expenditure wherever they can be effected without detriment to the efficiency of the army, and that, except for military expeditions which cannot be provided for in the estimates, such things as supplementary estimates have altogether ceased.

"I am to be succeeded in charge of the Military Department by an officer, Sir Edwin Collen, who has for the past five years been working with me, heart and soul, in these reforms, whose ability is well known, and whose efforts in favour of economy have not been exceeded by those of any officer in the service of the Government. I would ask this Council to trust him.

"The past five years have been years of great difficulty for the Military Department. There have been a great number of frontier expeditions, which have upset our budgets, and have been unwillingly concurred in by the Commander-in-Chief and myself. There has been, owing to the fall in exchange, a financial pressure such as had been hitherto unknown.

"In face of these facts, I trust, my Lord, that the list of improvements and reforms which have been effected in our army and our military administration will not be considered by this Council an unsatisfactory record of progress.

"The army in India is, in my opinion, none too large for the work it may be called upon at any time to perform, and I trust that this Council will never lend a willing ear to those who advocate reduction of military expenditure other than that recommended by your Excellency's Government. For I say deliberately and advisedly, after the closest and most minute study of every detail of that expenditure, that such reduction could only result in that worst and most wicked of all waste, the maintenance of an army which would be either insufficient in strength, or unfit and unready for war."

His Honour the Lieutenant-Governor said:—"I should like to say a few words on the subject of Provincial Finance, and paragraphs 60–64 of the honourable Member's statement. I hardly think it possible that at the present day local governments can have any such misapprehension of their true relation to the Supreme Government as the honourable Member describes. Personally, I have always refused to admit that there can be any separation of interests between the Government of India and the local administrations. The latter are as much interested in the expenditure directly controlled by the Imperial Government as the Imperial Government itself. But the principle applies in the other direction also. The Imperial Government is, or ought to be, as much interested in the matters left to the Provincial Governments as any or all of those governments. Now I have received myself as a provincial administrator, as a general rule, the most generous treatment and support from the Government of India during the past 10 years. Our relations have ordinarily been of the most amicable kind. But nevertheless it has at times appeared to me that the Supreme Government did not always realise that it has as great a responsibility for local administration as the Local Government itself. I have seen or seemed to see a tendency on the part of that Government to wash its hands of this reponsibility, especially as regards finance. I thought I saw this, when, as Chief Commissioner of Burma, I protested vigorously against the mulct of 18 lakhs taken from that province in 1894–95, and which I am glad to see now given back. I know that my honourable friend will repudiate the idea, but I have, I believe, none the less seen it elsewhere also in operation, conscious or unconscious. I refer to it, however, now not by way of complaint about the past, but in order to enter a caveat in view of the revision of the provincial contracts to which the honourable Member alludes in his paragraph 60. I trust that he will enter upon this revision in full consciousness of the fact that the Imperial Government is as much interested in the development and improvement of provincial administration as the Provincial Governments themselves, and that any check inflicted on them is a check to the whole Imperial machine. I must say I deprecate the way in which these quinquennial revisions have too frequently been carried out. The provincial sheep is summarily thrown on its back, close clipped and shorn of its wool, and turned out to shiver till its fleece grows again.

"The normal history of a provincial contract is this—two years of screwing and

and saving and postponment of works two years of resumed energy on a normal scale, and one year of dissipation of balances in the fear that if not spent they will be annexed by the Supreme Government, directly or indirectly, at the time of revision. Now, all this is wrong, not to say demoralising. I say that the Supreme Government ought not to shear too closely each quinquennium. It is as much interested in the continuity of work as the Local Governments; and ought to endeavour to secure this, and avoid extreme bouleversements of the provincial finances. In the first two provincial contracts India left Bengal not only its accumulated balance, but part of its normal and recurring surplus. In the last three contracts it has taken the whole normal surplus, leaving Bengal to create a new surplus, and make what it could out of the progressive growth of its revenues. This necessarily inflicts on the province at least two years of leanness at the outset of each quinquennium. It would be an immense gain to local administration if the Government of India could see its way to renewing the contracts with as little change as practicable on each occasion. It is only in this way that the element of fiscal certainty, which was put forward in 1870 as one of the main objects of decentralisation, can be secured. Hitherto we have had but little of certainty. Not only have the terms of the contract been repeatedly changed, but three out of five have been practically set aside. I do not grumble at this. I would willingly surrender every available rupee if Imperial necessities required it. We are, as I said at starting, all one Government. I merely desire to suggest that this unity should be recognised throughout all the financial arrangements, and as little disturbance as possible be introduced on each occasion of quinquennial revision."

The Honourable Sir *James Westland* said:—"During the past week I have been making an attempt, by studying the public newspapers, to discover on what particular lines my Financial Statement was likely to be attacked. I failed somewhat in that effort, because I have found that the proposals of the Government as made in the Statement have been generally accepted. There was one newspaper, I admit, that I looked to with some fear and trembling—it is a weekly newspaper published in Calcutta, a newspaper that never has a good word to say for the Government or any of its doings, and I was afraid that this newspaper would have some words of commendation for the Financial Statement—a commendation which would damn it in the author's eyes. But fortunately I found that this newspaper did not approve of the Statement It did not give any particular reasons, but it did not approve of it, and it went on to accuse me of something like the fraud of which the Honourable Rai Ananda Charlu has been accusing me, namely, that of diverting the Famine Insurance Grant, or the Famine Insurance Fund, as he insists upon calling it, to purposes for which it was never intended. I have also been accused of fraudulently making up the accounts by a gentleman on the Bombay side, who is under the delusion that he knows something about Indian finance, and has been making occasional attempts to induce the public to share in his hallucination. He stated that it was no wonder that I should bring forward the accounts of 1894–95 as showing how accurately we had forecasted them in the revised estimates presented last March, because we had already obviously taken the revised estimates as our basis, and falsified the accounts so as to make them work up to the estimate. He was able to show this by comparing the Statement of Accounts we published with the estimates, with one that we published in one of our Gazettes in February. Now it requires only an elementary acquaintance with our accounts to know that, when we first make them up, we gather the land-revenue and the interest each under a single head, because it is a single class of receipt or of charge; but that afterwards, when making up our final accounts, we divide these preliminary figures between two different heads, namely, the land-revenue ordinary, and the land revenue due to Irrigation, and, in the case of interest, part of the interest we pay is transferred to the charge of the Irrigation and the Railway Accounts. All this was perfectly plain on the face of the Account presented for certain comparative purposes in the Gazette in February; but, by suppressing the differences in the names we gave to the heads, this critic of mine on the Bombay side professed to show that we produce different figures under the same designation. Of course they were different figures, because they refer entirely to different things. If he had carried the comparison into detail, he would have found

that the figures he produced in one statement exactly corresponded with the figures I had produced in another. I only notice these matters because they have been given currency to by one of the leading newspapers of Bombay. I think it necessary, as I shall have to answer other charges of fraudulent concoction of accounts, to state that these accounts are made under safeguards which render it perfectly impossible, even if the Government of India desired to produce fraudulent accounts, for it to do so. I am accustomed to be hauled over the coals for doing dishonest actions; but political criticism in this country is young, and it has not emerged from that primitive stage in which it consists of accusing your adversary, with or without evidence, of dishonest actions. But what did touch me in the criticism presented in Bombay was that we were not only supposed to be rogues in making up our accounts, but also declared to be such fools as to provide the public in our own Gazette with the means of convicting us.

" The Honourable Mr. Bhuskute has prepared a long discussion, and I think, on the whole, a very useful one for the purposes of the Government of India, upon many questions raised in the Budget. I call it a very useful discussion, because I think it is very desirable, and that it is a very valuable assistance to us, to get a calm statement of the manner in which our accounts and financial transactions present themselves to a non-official gentleman who has at heart the interests of the province to which he belongs.

" The Honourable Mr. Bhuskute was good enough to give me a copy of his statement last night, and in the course of this morning I have been able to examine his statements and some figures on which he has founded them. Now, Sir, of course an honourable Member who gives me a statement of this kind places himself, I know, at a very great disadvantage. He gives me a very great dialectic advantage over him; he knows that the last word will come to me, and that I may make use of his statement without the possibility of his making any answer to my criticisms. I desire to avoid as far as possible using any language which can be interpreted as in any way disparaging the Honourable Mr. Bhuskute's criticisms, because, as I say, I do admit it is very useful for us to know what view is taken of many of these matters by an independent gentleman in his position. But I am bound at the same time to point out that many of the statements and figures presented are very far from correct. I know that in these matters I am at a very great advantage. He is dealing with figures new to him—figures, which, in their very mass, are very difficult to follow, and I am dealing with matters with which I have been familiar during the whole of my life. For one of the statements the Honourable Mr. Bhuskute drew up he was good enough to come to me for information. I gave him that information at once, but in regard to the other matters I regret that he did not ask me for further information, because I could have saved him a very great deal of criticism which I think somewhat unfounded.

" Now the Honourable Mr. Bhuskute addresses himself first of all to the Famine Insurance Grant, and what he has said has been repeated with additions by the Honourable Rai Ananda Charlu. I think it will be better for me to notice first the points which the Honourable Mr. Bhuskute has taken up, and afterwards to take up those to which the Honourable Rai Ananda Charlu drew attention.

" The Honourable Mr. Bhuskute objects to the reduction of the amount of the Famine Insurance Fund, on the ground that we spent during the last 15 years an average representing one crore and 16 lakhs. I cannot admit this to be true. I am quite sure that, if any person having an income (say) of five lakhs of rupees chose to invest of that income two lakhs in railway shares and two lakhs in Government securities, it would not be said that he spent his whole income. That is exactly what we have been doing with our Famine Insurance Grant. We have not spent the 116 lakhs; the greater part of that has been invested in railways and in Government securities. It is obvious, therefore, that the fact that we have laid out 116 lakhs in these investments is no argument to show that it is for the future necessary for protection against famine to maintain the grant at its original figure, 1½ millions.

" Then he calls upon us to remit the special taxes imposed at the time when this Insurance Fund was instituted. And he says that the provinces interested in this special taxation will naturally claim immediate consideration of the subject from us. In the first place, I have to point out that the taxes imposed for the institution of the Famine Insurance policy did not exceed one crore of rupees, and that therefore no question of their remission at present arises. I will make a quotation

a quotation on this point from one of Sir John Strachey's Financial Statements (1880-81), in which he says—

> "As I have already explained, that taxation amounted originally to Rx. 1,345,000. It has now been reduced to Rx. 1,000,000."

"So that the amount of taxation which was called the famine taxation and was instituted at the time when the famine insurance grant was instituted does not exceed the amount set aside now as famine insurance. Moreover, I rather think that the honourable Member is not aware to what a small extent his own province is interested in this famine taxation. The details of it are before me; they were given in the Financial Statement of 1879–80. They consisted for the most part of the license-tax amendment, ordinarily called the income-tax, and of the Bengal public works cess. Then there were small amounts of local taxation, of which the additional cess in the Central Provinces comes only to 1¼ lakhs of rupees. It would appear, therefore, that the honourable Member's province is very little interested in the question of the abolition of the taxation which was instituted at the time of the famine insurance grant; and I am quite sure, from what the honourable Member says in his speech of the smallness of the contribution which Bengal makes compared with other provinces, that he would not argue in favour of the remission of that part of the taxation which is represented by the public works cess of Bengal.

"I wish to point out with reference to this point that Sir John Strachey, when he instituted this famine grant, distinctly declared that any intermission of it did not involve in the smallest degree the question of the remission of the particular taxation levied at the time of the grant. And it is very obvious that that cannot be the case. Our last tax in point of date was the imposition of the customs-duties. We levied the customs-duties, because the value of the rupee had fallen from 14 or 14½ to 13 pence. If there was any force in the argument of the honourable Member, it is obvious that our first endeavour when the rupee rises ought to be to abolish these customs-duties, and not touch any part of the rest of the taxation of the Empire. Now I do not think there is any person who would urge that as the first tax to be got rid of.

"There are a great number of taxes for the prior remission of which claims may be made—one from the Honourable Rai Ananda Charlu, for example, that a portion of the income-tax should go. We have a claim from the Honourable Rai Ananda Charlu, and also, I think, from the Honourable Mr. Bhuskute, that the salt-tax should go. It is obvious that these claims are founded upon a theory quite different from that which would attach to each tax a particular ear-mark, and declare that, when the increase of expenditure, with reference to which that special taxation had been levied, ceased, it should become the duty of Government to abolish the particular tax levied for it. Sir John Strachey was very clear on that point, and I shall read a short extract from his Financial Statement, the same Statement as that from which I quoted before, of 1878–79, in which he says—

> 'I need hardly say, after what has been said on former occasions, that the Government can entertain no idea of giving these taxes up, and of sacrificing a million a year of revenue.'

"I would wish to point out to the Honourable Rai Ananda Charlu that this statement was made at a time when Sir John Strachey was suspending the famine grant, and that even at that time he declared that he would not propose to remit the taxation which was levied with reference to the constitution of the famine insurance grant."

The Honourable *Rai Ananda Charlu Bahádur:* "Kindly give me the year."

The Honourable Sir *James Westland:* "It is paragraph 54 of the Financial Statement of 1880–81. Sir John Strachey goes on to say—

> 'Even if those taxes were as bad as some think them, a time like the present, when we have to meet the heavy obligations entailed by a serious war, would not be opportune for abandoning them; still less could such a course be approved by those who believed, with me, that these taxes are far less objectionable than others that could be named, and that, when the time comes for remitting taxes, it is not with these that we ought to begin.'

" When a tax is imposed, whether it is imposed at a time when it is necessary to make a special provision for famine, or whether it is imposed at a time when the conquest of a new province has necessitated the increase of our army expenditure, or whether it is imposed, as it was two years ago, at a time when great difficulties in exchange had increased the burden of our expenditure, that tax becomes part of the regular fiscal system of the Empire. When we come to questions of remission of taxation, which I hope is not very far distant—although I do not like to prophesy until I am sure—we must take up the remission of taxation as a thing which is quite independent of the particular expenditure for which the tax has been levied. We must choose for remission those taxes which are found to be most burdensome and whose remission will bring the greatest relief to the Empire.

" My statement of the financial relations between Provincial Governments and the Imperial Government has been criticised in more than one direction. I am afraid that the Honourable Mr. Bhuskute is one of those against whose views it was my object to remonstrate, one of those, namely, who think that the Local Governments and the local objects have necessarily a first claim upon the revenues, and that the Imperial Government is something which lies entirely outside. In fact, the Honourable Mr. Charlu went further than that, and protested against our imagining that the Local Governments were only the agents of an absentee landlord, and were merely collecting taxes for some other Government. I am glad for one thing that His Honour the Lieutenant Governor has very promptly repudiated these claims, and I am sure that every Local Government will admit, as he has admitted, that it is both legally and constitutionally the agent of the Government of India for carrying on the administration of its province, and that it cannot declare to us that its business is to keep its own revenue in its own hands, and refuse to be responsible to the Government of India for the revenues it collects. In talking of it as an agent it is to be understood that I am not denying it a large amount of discretion. In fact, the whole system is founded on the theory that it is still an independent Government, and has all the functions of a Government, but that we must control the action of the Local Governments in their financial proceedings on the theory that the whole financial system of India is one, and that we cannot break up the system into financially separate provinces, and make these provinces independent contributories to a central account. This is one of the proposals which the Honourable Mr. Bhuskute makes in his statement. In connection with it he says :—

> 'This complaint is not, as the honourable Member puts it, that each province thinks the richer provinces have a surplus which they are made to disgorge for the poorer provinces, but that under the present arrangements the poorer provinces are made to contribute more than their proper shares in order that the richer provinces might not be taxed their full share of the Imperial contribution.'

" And here, my Lord, I think that the honourable Member's statements are not borne out by the figures which I set forth in my Financial Statement, from which it will be seen that, as a matter of fact, the richer provinces do contribute a very much larger share than the poorer provinces. I would ask attention to paragraph 63 of the Financial Statement, in which I showed the figures of the contributions made to the central account by the various Governments. Now, I take the Central Provinces : those provinces have a population of ten millions and contribute Rx. 451,000. Bengal has a population of seven times as much, but contributes ten times as much. Madras has a population of three and a-half times as much, but contributes ten times as much. Bombay has a population of not quite twice the amount of the Central Provinces, but its contribution is about six times the amount that the Central Provinces contribute. I think there is no better proof than that afforded by those statements that the present provincial system is not liable to the charge that the poorer provinces are taxed beyond their power, and that the largest provinces get off with too small a contribution.

" And, with reference to the proposal that it might be possible to alter the system of assignment altogether, which has been made by the honourable Mr. Bhuskute, and partly also by His Honour the Lieutenant Governor, I can only say that the question has been considered over and over again, and that there

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are immense difficulties in the way. You cannot deal with India as a homogeneous country. Various provinces are in various stages of advancement. Bombay and Bengal, which have been a long time under the control of the British Government, are advanced provinces to an extent to which such recent occupation as the Central Provinces can lay no claim. They are better fitted out with roads and communications; their whole administrative system is more complete; the population is for the most part a more dense one; and their industrial development is also very much greater. You cannot deal on the same footing with such provinces as Bombay and the Central Provinces, which, although neighbours of each other, are yet in such entirely different stages of development. Now, if we were to attempt to make a theoretical distribution of liability according to the Honourable Mr. Bhuskute's plan, so that the same tax per head should be levied towards Imperial purposes from the various provinces, we would be met at the outset by this impossibility; we would be assuming an equality between provinces which does not exist. It is perhaps a fault, but it is an inevitable fault of the provincial system, that we must take the actual state of each province as a starting point, and the result of the provincial system, as at present applied, is that, taking that starting point, each Local Government can practically keep in its demand upon the general account its relative position with reference to all other provinces. We cannot, for example, reduce the assignment made to Bombay because we find that in some respects its expenditure is greater than that of Bengal and might theoretically be reduced to the same standard. It is not practicable to impose upon any province an obligation to reduce its expenditure to the standard of another province. Suppose, for example, that dealing with questions by the head of population, we were to tell Bombay that we must reduce its assignment by half a crore. What would that mean to Bombay? It would only mean that it would not have the means of carrying on its existing system of administration; perhaps it would have to discharge some hundreds of its officers. We would certainly dislocate by this means its whole administration. We must, therefore, as I say, deal with each province, in the consideration of the requirements of its administrative expenditure, almost as a separate unit, and in these matters at least take each province as we find it. I quite agree with the theory of His Honour the Lieutenant-Governor that the Government of India has a very direct interest in provincial expenditure, and should not wash its hands of responsibility for it. I think the Government of India gave a very satisfactory proof of their acceptance of that theory in returning into the hands of the Provincial Administrations the balances which it was obliged to take from them when it had to impose upon them a share of the retrenchment which had to be effected two years ago.

"I have taken a note also of the Honourable Mr Bhuskute's remarks in which he called upon us for reduction of taxation, but unfortunately they are mixed up with calls for increase of expenditure. These are two things which it is very obvious will not go together. You cannot reduce taxation and at the same time urge, as Mr. Bhuskute does, that 'the department of police should undergo a thorough revision,' that 'there is an universal cry for the separation of the judicial and executive functions, and for larger grants for higher education' on the ground that the taste for learning has increased, and the amounts at present allowed are inadequate. I freely admit that it is highly desirable that we should increase expenditure in some directions, but it must be continually borne in mind that if we increase the expenditure we can only do so by increasing taxation. It is no use to call upon us to diminish this tax and that tax, if at the same time you call for increased expenditure. At the same time I would call attention to one of the theories of the Honourable Rai Ananda Charlu with reference to provincial and local arrangements. He protests against our entering upon a new settlement of our contracts with the Provincial Governments with the idea that we are going to make money out of the operation. He points out with perfect truth that the local funds, which, I admit, are in Madras developed to a much larger extent than in any other part of India, are demanding larger assignments of funds from the Provincial Government, that the Provincial Government requires for this and other purposes larger funds; and he argues that therefore we are called upon to increase the provincial assignment that all this may be undertaken. But then the question is, where is the money to come from? He

protests against our sending Settlement officers over the land because it means enhancement of land revenue; and he wants the salt tax reduced. You cannot be increasing your provincial assignments and increasing provincial and local expenditure, unless you are prepared to pay for it by paying increased taxes.

"He has called upon us also to restore the Famine Fund, and declares that it is useless for us to talk of restoring the Famine Fund, because in order to do that we must repay to it the 7 crores of rupees by which the forward totals fall short of 1½ crores a year. I have to ask again where these 7 crores are to come from? I would ask, for example, what would be thought if I were to give notice now, that, as the Honourable Rai Ananda Charlu has pointed out this obligation on the part of Government, at the next sitting of Council I would introduce a Bill by which the income-tax for the present year would be quintupled, because it would require fully that amount of taxation to restore these 7 crores of rupees which he represents to belong to the Famine Fund? Government does not possess money other than what it derives from taxation. It is no use saying that we must get this money and that money, if, at the same time, it is known that it cannot be got except by taxation. The Famine Fund had occasionally to be suspended because the Government did not possess the money to keep it at a crore and a half; and it deliberately chose to suspend the grant rather than impose a new burden upon the people. If the Honourable Rai Ananda Charlu's advice had been taken, then it would have been necessary, in order to keep the Famine Grant up to the mark, to impose some new tax upon the people; it is quite obvious that in no other way could Government have observed the obligation which he insists upon to keep up the Famine Fund to a standard of 1½ crores. But, as regards this assumed standard, I shall read a paragraph from Sir John Strachey's statement dated the 27th December 1877, which shows that it was never his intention to permanently fix it at 1½ crores, and that he knew perfectly well that the question would arise whether it should be maintained at that figure or should be reduced:—

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'Making all allowances for these considerations, I cannot now venture to estimate the yearly average cost of famines in loss of revenue and actual expenditure at less than 1,500,000*l*. This amount has necessarily been arrived at in a somewhat arbitrary manner, and it will be seen to correspond approximately with the sum that would be requisite to distribute the charges of the last five years over a period of ten years. It will remain for the Government in the future to reconsider, from time to time, the practical result of the assumption which we are now constrained to make on what are necessarily imperfect grounds, and to take all requisite steps in the way of correcting any error into which further experience may indicate that we have fallen, either in the one direction or the other.'

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"I cannot imagine a more distinct statement made by the founder of the fund showing that it was not to be fixed at 1½ crores, and that the amount was to be reconsidered from time to time. We have done so, and the Government has come to the conclusion, on the facts set forth in the financial statement, that, for the present at least, we meet all necessary obligation by keeping it at a million. So far as the power to reduce the amount is concerned, the Government is at perfect liberty to reduce it to a million or any other sum which the experience of the past may teach to be expedient. The original sum was fixed as the amount which the then Government calculated to be sufficient and expedient, and in the same way the present or any future Government can consider the question upon the same basis, and find it sufficient and expedient to fix it at a crore. I am rather sorry to see that an honourable Member of this Council should charge the Government with something like a breach of faith or dishonesty in its reducing the amount to a million, and should declare that he expects further dishonesty to take place because we have been using the term 'grant' instead of the term 'fund,' which he prefers to use. As to this point perhaps I may also quote from the same speech of Sir John Strachey. It is to these speeches, delivered at the time of the institution of the Famine Fund or Famine Grant, that we must appeal to discover the meaning of the

the Famine Insurance system, and to see from the expressions in them what the intentions were that the founders wished to be carried out:—

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'So far, however, as we can now speak for the future, the Government of India intends to keep this million and-a-half as an insurance against famine alone. In saying this I should explain that we do not contemplate the constitution of any separate statutory fund, as such a course would be attended with many useless and inconvenient complications, without giving any real security. Unless, then, it should be proved hereafter by experience that the annual appropriation of a smaller sum from our revenues will give to the country the protection which it requires, we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned to this sole purpose; and I hope that no desire to carry out any administrative improvement, however urgent, or any fiscal reform, however wise, will tempt the Government to neglect this sacred trust.'

"One of the inconvenient complications which Sir John Strachey foresaw and deprecated was that we would from time to time have to temporarily increase the taxation purely for maintaining the Fund at a certain amount, and we might have now to introduce a Bill to levy seven crores of rupees of new taxes from the people in order to restore this seven crores which the honourable Member claims for his Famine Fund.

"The honourable Member does not at all say what we are to do with these seven crores. I suppose they are to be put into some hiding place. He seems to have overlooked the fact that there is nobody but ourselves to whom the restoration could be made; it is the Government treasury alone to whom the restoration could be made.

"There is one thing also with reference to which I desire to express my regret. The honourable Member who represents Madras has used the word 'protest' half a dozen times, and it is my duty on the part of Government also to make a protest. My protest is this, that, when an honourable Member desires to make a statement on a subject in which he accuses the Government of dishonesty, which the honourable Member has done, he ought to be very careful in ascertaining the facts. I do not think that my honourable friend Rai Ananda Charlu has done so before bringing this accusation against us. If I followed his statement rightly—and honourable Members here have had the same opportunity as I have had of following his speech—he has accused us of suppressing the Famine Fund, and he has accused us of using this Fund for the purposes of ordinary irrigation, ordinary railway construction, and other things. He has also accused us of concealing these facts. At the last meeting of the Council I stated that, if any honourable Member desired to have information on any points which were not fully enough explained in the Financial Statement, I would be very pleased if he gave me notice of what he wanted, in order that I might possibly give him all the information he pleased. The Honourable Rai Ananda Charlu has not asked for a single piece of information, and yet he now says that the Government has acted dishonestly in respect of these moneys and we are withholding the facts and the accounts of the expenditure. There is not a single point in all the information which he says we are withholding because we dare not publish it, in which the fullest details are not set forth in our annual accounts for the benefit of every one who desires information; and they are set out not only for the year concerned but for all previous years. The Government accounts are available for any honourable Member (in fact, for any member of the public) who wishes to see them, and any one with the slightest knowledge of how the work of Government is done ought to know that the Government publishes these accounts. I have great pleasure in passing down a copy of the accounts of 1894–95 to the Honourable Rai Ananda Charlu, if he wants to satisfy himself that the Government of India has published the full information he desires.

"I am afraid I am a little discursive in the order in which I take up the different subjects. It is rather difficult for me to take up my subjects in a regular and definite order, because I have been busy the whole day in taking notes of the various statements which have been made by the speakers, and

I am obliged to bring matters forward in the order in which I have taken notes.

"I am led back now to the salt-duties, which have been criticised and represented to us as a heavy burden upon the people. If it is a burden at all, it is a burden which not a soul in the country feels, and this is good evidence that it is a burden which can be very easily borne. Of course I quite agree in thinking that it is desirable that these duties should be reduced if possible, and possibly some day the question may arise. But there is one thing I will impress upon honourable Members who think that the Government imposed a heavy burden by the increase of the salt-duties which took place about ten years ago, and that is, that, instead of affecting the salt-trade by making the price of salt higher, during the last ten years the price of salt has been very much lower than it was ever before in this country.

"I have here statistics which go back to the year 1861, and there is hardly a single province except Burma in which the figures do not show that salt at the present day sells at a cheaper price than it ever did before. The truth is that the improvement of communication in the country and the gradual extension of railways has cheapened salt so much that, notwithstanding the taxation imposed upon it, its price has not been added to. The consequence therefore is that the burden upon the people in respect of the salt, instead of increasing, continues to diminish and has been continually diminishing.

"As regards the burden of land-revenue the Honourable Rai Ananda Charlu has expressed his horror at seeing the Settlement-officer let loose in every province raising the land revenue. I will read a paragraph from a despatch which was recently sent to the Secretary of State which will show that the land revenue has also been a gradually diminishing burden upon the people. This paragraph runs as follows:—

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'8. We shall first set forth, as briefly as the facts permit, the successive steps by which the Government share of the assets of land has been reduced.

'It was laid down in Regulations IX. and X. of 1812, following the precedent of the Permanent Settlement, that a net income of 10 per cent. on the Government demand should be reserved to the proprietors. This fixed the State's share of the assets at 91 per cent. Regulation VII. of 1822 raised their income to 20 per cent., and reduced the share of the State to 83 per cent of the assets. The assessment was to be based upon an inquiry into the productive capacity of each field or plot of land; and the Resolution which accompanied the Regulation substituted for the two or three years' term of settlement that had till then been customary, a term of ten to twelve years, and thus introduced the first long-term settlements. The detailed inquiry thus prescribed was found to be impracticable, and Regulation IX. of 1833 was based upon a minute by Lord William Bentinck, dated 26th September, 1832, in which he proposed that the demand should be fixed upon a general consideration of the circumstances of each village or estate, and that the term should be extended to fifteen or twenty years. At the same time, he limited the Government share of the assets to 70 to 75 per cent. All the early settlements of the North-Western Provinces were made under this Regulation, and for the most part for a term of 30 years. In 1844 Mr. Thomason, Lieutenant-Governor of the North-Western Provinces, reduced the share of the net assets to be taken as revenue to two-thirds, or 67 per cent. In 1855 the demand was still further reduced by the Saharanpur Instructions, Rule XXXVI. of which limited it to 50 per cent. of what were described as "the *real* average assets," and this proportion has ever since formed the basis of assessment in Northern India; though, as we shall presently show, still further reduction has been authorised in certain cases.'

"I wish, in addition to this, to point out to my honourable friend a purely arithmetical calculation, which will show how much of the increase of the productiveness of the land has fallen to the share of the proprietors, and how very small the increase to Government has been. We will assume that the land revenue at present is something like 25 crores. The purpose for which I am making

making use of this figure is one in regard to which we need not be particular. I will assume that 50 years ago the land revenue assessed upon the same territory was 15 crores, and that we have during this time increased our assessment of land revenue from 15 crores to 25 crores. Let us see what this enhancement really means to the people of the country. We fixed it at 15 crores at a time when Government got 75 per cent. of the assets and the people got 25 per cent. The people's share of the assets 50 years ago was therefore five crores. Now, when we get 25 crores we get 50 per cent., and the consequence is that the share of the people is equal to our own and is equal to 25 crores. So that the Government share of the produce of the land has increased from 15 crores to 25 crores, but the share of the people has increased from 5 crores to 25 crores. This will show that the enhancement of the land revenue has been brought about without adding to the burden of the people, and that the amount left in the people's pockets after each settlement is greater than at each previous settlement. This is what our Settlement officers have done; they universally find that, in claiming for Government its proper share of the enhancement of the produce of the land, they leave a continually increasing share in the pockets of the people.

"Another matter which was referred to in the Honourable Mr. Bhuskute's address, was his declaration that the vigorous prosecution of railways has caused us heavy loss; and in the same way the Honourable Rai Ananda Charlu says that we are imposing a new and unnecessary burden, because we are raising four crores of rupees during the current year for the construction of railways. I can only say that the vigorous prosecution of railways during the last 10 years has not caused loss of revenue. Our railways have produced more than the interest on the loans raised for the purpose of construction, and, as regards these four crores of rupees that we are to raise this year, every single railway project has been separately investigated, and the greater part of them will produce a great deal more than the amount we will have to pay as interest on the loan. At the present moment the whole of our loss on railway transactions is about two crores of rupees; that is to say, we have constructed and we are running 19,000 or 20,000 miles of railway, part of them constructed on military grounds and without reference to commercial returns; part of them constructed for protective purposes—protection against famine; and most of them constructed for commercial purposes. Taking the whole of them, the charge to Government is only two crores of rupees. I would ask, simply as a question of policy, whether the possession of these 20,000 miles of railway is not worth to the people of India two crores of rupees. There is not a soul in the room who would not admit that India would be better for these railways, even if the people had to pay 10 crores a year instead of two.

"With reference to these two crores of rupees, I have also to state that the loss which we have to bear mostly arises upon railways constructed on the guaranteed system. The loss a few years ago was only 70 lakhs of rupees. It has since mounted to two crores, mainly because we have to bear a heavy loss of exchange upon the sterling debt connected with the older railways. But it is obvious that this heavy loss has nothing to do with the present construction of railways. We would have to bear this loss even if we were not constructing any railways during the last 10 or 20 years. The later construction and expansion of railways has therefore been on the whole a financial gain.

"Before I close I want to refer to another statement which is made in the Honourable Mr. Bhuskute's address, and which refers to the military expenditure. We have been liberally accused on all sides of having indulged in heavy military expenditure, and, putting the figures of 1887 and 1893 side by side, it is stated that the latter has risen by 2¾ crores of rupees, and the statement is made that the only portion of the increase due to exchange is 96 lakhs. The Honourable Mr. Bhuskute is erring in good company, for the "Economist" made the same blunder in a criticism it published about July last. The Honourable Mr. Bhuskute, when he talks of these charges, means that the figures which are entered in the exchange column account for only 96 lakhs of increase; but he forgets, what has often been pointed out, that there are a number of charges which enter into our Indian column of expenditure which are very much affected indeed by exchange. One of them, for example, is the obligation to pay the British soldier at a sterling rate. The consequence is that, as the rate of exchange falls, we have to pay him more rupees. I have made an actual calculation of the difference which arose between 1887 and 1893 on this account,

and also on account of exchange compensation allowance, which, whether the Honourable Member is in favour of it or not, he must admit arises purely from the fall in rate of exchange. From these figures I take it that from 55 to 60 lakhs are the amount of the increase which is made in the British soldier's pay, and 26 lakhs were the amount which we had to pay for exchange compensation in the year 1893. These two amounts, taken together, make up 81 to 86 lakhs of rupees, and these 86 lakhs do not represent increased military expenditure, as the Honourable Member and the "Economist" put it, but arise from the fall in exchange.

"There is one thing with reference to this subject which I wish to mention. It seems to me that I have been unnecessarily modest in not claiming for myself the whole of the credit for the improvement that has occurred in the financial state of affairs. I thought I was bound to be honest, and state that the increase of some Rx. 1,400,000 was due to exchange. For many years past the Government of India has been declaring that the difficulty they were in had been almost entirely due to the imposition upon it of the burdens arising from the loss in exchange, and that statement has been continually denied by our critics, and we have been continually told that our difficulties arose from our own extravagance, and that it was not any loss in exchange which produced this result. Well, the people who make that statement against us are bound, if they are consistent with themselves, to admit that the improvement in the present state of finances is due to our own good management, and that it is nonsense on our part to allege that the improvement is due to the rise in the value of the rupee. If they were right, and we were wrong, in estimating the gravity of the effect of the falling rupee, they are bound now to give to us, and not to the rising rupee, the credit of the recovery that has taken place.

"The Honourable Mr. Bhuskute, in the twelfth page of the statement which he has made, compares the duty and consumption of salt in 1886-87 with that in 1894, and deduces a conclusion as to the poverty of the people. I know where he has got these figures; but there is one important thing he omitted to observe. The consumption of salt in any given 12 months from various circumstances is always altering. The Honourable Mr. Bhuskute has taken as his first year one in which it was abnormally large, and for his second year one in which it was abnormally small. If he had only taken as his figures for 1886-87 those which are the average for that year and the year before it and the year after it, and for the second year also not the figures of that year, but the figure which is the average of that year and the year before it and the year after it, the result is that the consumption of salt for the first period on which the Honourable Member makes his stand is 32·8 millions of maunds, and for the second 34·4, and the Honourable Mr. Bhuskute's conclusion as to 'the poverty of the masses' becomes reversed.

"In connection with the taxation of salt, which is said to be an extreme burden upon the masses, I wish to make one remark. One can hardly understand the people of India being an over-taxed people, as they are often represented to be by Native political associations, if they do not in some way or another feel the burden of the tax. But the truth is that there is not one man in a hundred who is in the least degree aware that he contributes a single pice to the system under which he obtains security for his property and person to which his forefathers of three generations ago were utter strangers, and is assured of the possession of legal rights which are superior to those enjoyed by many nations of the West. I can only oppose to this imaginary, poor, over-taxed raiyat the fact, which is perfectly notorious, and which every one can verify for himself, that there is not a single country in the civilised world where the amount of taxation is so small as it is in India.

"And here I want to add one remark with reference to the military expenditure, which is attacked by the Honourable Mr. Bhuskute and a great many other people as a tremendously heavy one. I can quite understand the ordinary cultivator, whose knowledge of history never goes beyond his own life, and whose experience is limited by the boundaries of his own village, thinking that the state of peace, prosperity, tranquillity, and comfort, which he enjoys is the natural condition of India. But for educated gentlemen like our political critics to know nothing of the history of their own country astonishes me. They have only to look back 100 years to see that those fields which now smile with yellow harvest, and which the husbandman can till every year with the absolute

lute assurance that in time he will reap his harvest, were year by year liable to be devastated by warfare, or by the rivalries of contending chiefs whose armies plundered the country. The districts from which the Honourable Mr. Bhuskute comes, were the highway between Northern India and the Dekkhan. They were the districts through which the armies of the Mogul poured from Northern India to the Dekkhan for conquest and for plunder. The whole country within the last 100 years resounded to the tramp of armies, and was filled with robbery and rapine, and that is a state of things which would return to India if the British army were withdrawn. The one security that India has for the continual preservation of that state of peace and tranquillity is that there is one paramount authority that possessess sufficient power to suppress all disorderly elements. It is at the back of our civil administration, which would not be effective unless it could carry out its duties in peace and quietness. The cost of the army, to which 250 millions of people are indebted for the peace and tranquillity which they enjoy, comes to something a little more than half a rupee per head of the people protected. The Honourable Sir Henry Brackenbury has made a very full statement to-day which is a complete answer to those who think that the interests of economy are not fully studied in its administration. There is no army so effective anywhere as the army of India; none in which the money spent is made to go so far in the direction of efficiency. I cannot understand how educated people who know the perpetual condition of warfare and insecurity in which people were in India before it was occupied by one overmastering Power, can make any objection to the military expenditure which is necessary for maintaining the security, peace, and tranquillity, to which Mr. Bhuskute refers as one of the gifts of the British power.

"My Lord, I have left till the end a necessary duty—that of answering the questions which have been put to me by the Honourable Mr. Playfair. I shall answer them one by one. The first question that he asked was with reference to opium—whether I consider that the rise in the price which we offer for crude opium is sufficient. I think it is, and my reasons are that it has secured to us as much extension of cultivation as we wanted: that is, enough to enable us to recommence piling up a reserve. I regret that the crop has partially failed, and that the raiyats again will fail to benefit by the enhanced price to the extent that we and they hoped they would. What is wanted more than anything else is a favourable season; and, if we were to get a fairly favourable season, I am quite sure that the cultivator would get such encouragement that we would obtain, at the price we at present offer, all and more than all the cultivation we want.

"Another question was asked with regard to the interest which we propose to fix for the loan which we are about to issue. This is rather a difficult question to answer just now, for it is difficult for me to make a statement, without its being held to some extent to be binding. I must therefore begin by saying that any statement I make now will be understood as not in any way binding upon us when we come to make a settlement of the terms of the new loan. What they will really be depends solely upon the state of the market at the time. But, if I am allowed to make this complete reservation as to what we may do, I have no hesitation in saying that, unless circumstances change, my advice to the Government will be to issue a 3 per cent. loan, and to add conditions guaranteeing it against a reduction of interest for a certain number of years, say, twenty years or something like that.

"I hope my honourable friend will be satisfied with that answer. It is impossible for me to give any answer which may be taken in any way as pledging the Government.

"In regard to the question of saving bank balances raised by the honourable Member, the difficulty raised is one which is felt not only by the Government in this country but by the Government at home. The only security which we have in respect of our saving bank balances is that the amounts are all extremely small, so that it requires a very large combination of depositors to make a demand upon us which we would have the least difficulty in immediately meeting. They are, of course, secure of being all ultimately met, in any circumstances. We have, as the honourable Member points out, about 10 crores on deposit payable upon call. But 10 crores is composed of a very large number of very minute items, and in practice we have as little danger to fear as any ordinary bank in respect of the calls of its depositors.

"Now, my Lord, before I close I have one word to say. It may be considered impertinence on the part of a junior Member of your Excellency's Council to say a word in acknowledgment of the services of a senior Member of this Council. But my relations with my honourable friend Sir Henry Brackenbury in the financial administration of his department have been such, that it is impossible for me to allow him to leave this Council without conveying to him, on the part of the department over which I have the honour to preside, our acknowledgments for the grand work that he has done in bringing under complete financial control the whole of the expenditure of his department. I have had in my time of service in the Financial Department, now extending back over a quarter of a century, not a few contests with the Military Department. It is almost necessary that these should arise, because the Military Department is peculiarly the spending department of the Government, and the Financial Department is very much interested in its financial control and in its financial arrangements. But there have been no difficulties of this kind during the time that I have had as my colleague the distinguished officer who sits on my left, and who is not only a distinguished soldier and military administrator, but is also a financier, and in that capacity has been able to give to me in my official duties most material assistance and helpful counsel."

His Excellency the President said:—"I recognise with pleasure that no attack has been made on the policy of the Budget now under discussion, which calls for any general defence from me. It is not a sensational Budget; it is, as the honourable Member has said, a modest Budget, as modest as himself; but I doubt if sensational Budgets are always the most satisfactory. It is generally agreed that, in the circumstances of the present time, the proper financial policy for India is one that is cautious, moderate, and conservative, and that, while the time may come, as the honourable Member has hinted, for a comprehensive revision of the position, that time is not yet. What we have done in the Budget before us is to take advantage of the increase of the Revenue, which has exceeded the anticipations of last year, in two ways; in the first place, to retrace certain steps which we were very unwillingly obliged to take in laying under contribution for general purposes grants which otherwise would have been devoted to special and useful purposes; and, in the second place, to the making good of special deficiencies. It is, in my opinion, most satisfactory that we have been again able to grant the large sum of a crore of rupees to the purpose of Famine Insurance—purposes as to which I cannot altogether accept the definition of the Honourable Mr. Ananda Charlu, which I venture to think is based on some misconception of the original proposals, of the nature of the transactions of the last fifteen years, and of the necessities of to-day. It is also most satisfactory that we have been able to restore to Provincial Governments the contributions from their balances which we had to demand in 1894. I have for myself always entirely sympathised with the disappointment which the Local Governments must feel, when they are suddenly called upon to relinquish funds on which they had calculated for works which they considered essential for the well-being of the people under their care.

"It is satisfactory also, for the reasons so well stated by the Honourable the Military Member, that we are at last able to complete those arrangements on which, it has been long recognised, in an emergency the safety of the Empire would depend. There is only one general remark which I would like to make with reference to these aspects of the Budget, and that is that it must not be supposed that we are going to deal equally generously with all demands of the kind. My honourable colleague, the Financial Member, will insist on as strict economy as the Honourable Mr. Ananda Charlu can desire.

"I am sure the Council will have heard with much interest the statement which has been made by the Honourable the Military Member; and not only have we listened to it with interest, but it will be exceedingly valuable to have on our proceedings a record of this kind. It is a record of a great work, not only the work during five years of an individual of distinguished ability, but the work of a great Department of State under the guidance of the honourable Member. It is, I believe, a record of progress both in efficiency and in economy.

"We shall all miss the honourable Member in our debates here, but we rejoice

rejoice to know that the influence of his work will be felt in India for many years to come.

"There is another great department, however, in which it is impossible for me not to take a personal interest, and to which I should like to refer. The Honourable Mr. Playfair has spoken of the importance to India of its railways. He not unnaturally dwells specially on the question of rates. But I shall, with him, postpone the discussion of that delicate question. He has, however, spoken of the general railway policy of the Government with approval, and I should like to say a word or two about that.

"The development of the country by the construction of railways has for long been the recognised policy of the Government of India, and I need support it by no detailed argument. The fact is that it is the method by which we can materially improve the condition of the vast population dependent upon agriculture most surely and most steadily, and I am the last person to deny the contention of the honourable Member from the Central Provinces that there is much in the condition of the agricultural population that calls for the careful attention of the Government. Even irrigation works, all important as they are in certain localities, can scarcely claim such far-reaching results as railways; at all events, unless irrigation and railway works proceed simultaneously.

"I need scarcely point out that the improvement in the condition of the people which I have claimed for railways has a special bearing on the discussion of to-day. I believe that, if the lines we have constructed for military purposes and protection against famine are kept separate, a very sufficient return is realised on the capital we have expended on railways. But, in truth, their value is far greater indirectly, from the growth and stability of the land-revenue on which Indian finance depends so much, and which in its turn depends largely on increased facilities of communication.

"But, while there has never been much doubt about the policy, there has been considerable debate as to the best means of carrying it out. At first the construction of railways was generally entrusted to companies under some form of guarantee; then came a period when State agency alone was employed. Since 1880 the pendulum has swung now to one side, now to another; and the problem has been how best to utilise the resources of the State on the one hand, and the funds which private enterprise offers on the other.

"I think there has been some misconception of what the Government have been doing in the matter. I shall not repeat more than necessary what has been said by other Members, but I should like to say how it appears to me.

"As a preliminary, however, we must clearly understand what we mean by private enterprise as applied to railways. It is not the same, and probably it never can be wholly the same here, as it is in England. There it means that certain persons propose to construct a railway; they obtain surveys and estimates and prepare their Bill; they prove their surveys and estimates before a Select Committee, and pass their Bill, if they can. They raise their capital, buy the land, carry out their works; and, if they succeed in all this, they may make a profit. Throughout they look for nothing from the State. Parliament gives them certain rights, and imposes on them certain obligations, but only interferes with them financially by mulcting them in heavy Parliamentary expenses.

"We have nothing of all this in India, not even the last item. Private enterprise does not stand alone in this way. I do not propose at present to examine the causes of this; I merely ask you to note the fact that it is the State which makes the survey, which examines the estimates, which sanctions the project, which provides the land, which perhaps builds the line, and, quite possibly, in certain circumstances, might even work it. In fact the assistance given to the Government in India by private enterprise, with scarcely an exception, takes one of two forms: (1) it raises the capital in the sense that it acts as intermediary between the Government and the individual investor; or (2) it undertakes the management of the line when opened. Of the second, I need not say more than this, that the policy of entrusting the working of railways to company management has, in several instances, proved very successful, and may be carried further with advantage, provided that the

companies are such that we can be sure the management will be in the hands of capable and energetic men.

"As to the raising of capital, I need scarcely remind you that the determining cause is the nature of the security offered. In proportion to any doubt which the investor may entertain of the safety of his investment, will he demand a larger interest on his loan. The Government of India could certainly borrow on its own account all the money required for its railways at the cheapest rate, if it consented to offer the security of the revenues of India. Of late years, as I have said, it has been thought wiser not to do this in all cases, and the assistance of private enterprise has therefore been sought. That was the origin of the Branch Lines Resolution of 1893, which offered, not the guarantee of the Government, but a security based on certain traffic arrangements. I believe that, as all, or almost all, of the lines coming under this resolution would have been lines which had been approved by the Government as likely to give a fair return, the terms of the resolution did, as a matter of fact, afford ample security. But, unfortunately, the conditions were necessarily somewhat complicated, and it was impossible so to state them as to bring home to the average reader what his true position would be. The results, therefore, have been disappointing, and the Government have taken the whole matter into consideration. It has now been determined to issue a new resolution for branch lines which will offer two alternatives—

(1.) A fixed yearly minimum dividend, with such share of the surplus net profits as may be agreed upon; or,

(2.) A rebate arrangement on the lines of the present.

"The particular rate of interest will, of course, form part of the bargain, but the present intention is that the minimum dividend to be guaranteed under the first alternative should not exceed 3 per cent., and the rate of interest secured by rebates under the second alternative should be 3½ per cent.

"The effect will be shortly this—

"Under (1) the company will receive an absolute guarantee of interest at a rate not exceeding 3 per cent., and a higher return if the net earnings of the branch are sufficient to pay more than the guaranteed dividend; and, as an alternative, under (2) the company will receive a dividend of 3½ per cent., provided that the amount of the net earnings from local and interchanged traffic be sufficient, and a higher return if the net earnings of the branch from its own traffic be sufficient, to pay a higher dividend.

"I do not wish to be misunderstood. We do not put forward this new resolution because the small success of the former resolution has hindered us in pushing forward the work of construction of railways. I do not believe that the amount of work we are now doing is at all realised, and I should like to give a few figures of mileage to show what it has been during the year now current.

"At the commencement of 1895–96, *i.e.*, on the 1st April 1895, the total length of railways open for traffic was 18,863 miles, and the mileage under construction, or sanctioned for commencement on the same date, was 2,217 miles. During 1895–96, *i.e.*, from 1st April 1895 to the present time, the commencement of 2,384 miles of new railway was authorised, and 1,009 miles were opened to traffic.

"Thus the total length of open line at the present moment is 19,873 miles, and the mileage now under construction, or sanctioned for commencement, is 3,564 miles.

"Adding together the amount of construction completed during the current year, and that in hand at the end of it, we have 4,573 miles, or an addition of one-fourth to the existing railways of India. This length of line exceeds the total length constructed in the United Kingdom in the last 20 years; or, to put it another way, is more than double the entire mileage of what is sometimes called the premier railway in England, the London and North Western Railway Company, while there are only half-a-dozen railway companies in the United Kingdom whose mileage exceeds that which we opened as new lines in India in the single year 1895–96.

"I think that honourable Members will be of opinion that this is a sufficiently extended programme. That part of it which still remains to be completed represents an expenditure of something like 35 crores. The Financial Statement

ment shows that we are preparing to undertake not much less than a third of it during the year 1896–97, including the amounts which are to be provided by companies and do not pass through the Government accounts.

"It is also a comprehensive programme if you look at the character of the principal undertakings. In the west, in the Bombay Presidency, we have the Rohri-Kotri Chord, 200 miles, which not only practically doubles the main line to Karachi, but secures us against an interruption of the traffic by the irruption of the Indus.

"Passing northwards, we have in Upper India the new company, the Southern Punjab, with a mileage of 400 miles, shortening materially the distance from Delhi. We have extensions of the Bengal and North Western and Tirhoot State Railway system, 489 miles, which will provide on the north side of the Gogra a much improved communication between the districts where population is congested, and the districts in Eastern Bengal and Assam where labour is scarce, and on the south side of the Gogra a series of branches in the eastern part of the North West Provinces which is peculiarly liable to scarcity. We have also an important work, though the mileage is shorter, in the linking-up of the metre-gauge systems of the north and west by a new connection between Cawnpore and the Gogra river, 80 miles.

"In Central India we have the Saugor-Katni line, 118 miles, in connection with the Indian Midland system, which will not only secure districts which have suffered from scarcity more than any others since I came here, but will give a direct access for Umaria coal towards the west; and a similar advantage for east and west traffic has been secured by the construction of the Godhra-Rutlam and Bhopal-Ujjain Railways a little further south.

"In the east there is the great scheme of the East Coast Railway, long contemplated and now in a fair way to completion, of which it might be enough to say that Calcutta and Madras seem prepared to tear any one to pieces who denies their claim to the larger share in its benefits. At all events, this large work of which there is now under construction about 600 miles, while it completes the programme of the Famine Commission—a commission which I may remark did long ago the work which, if I rightly understood the Honourable Mr. Ananda Charlu's observations, he asked should now be done—in the one district remaining, Orissa, and gives an independent access to Calcutta to the Bengal and Nagpur Railway, it will connect Madras with the northern districts of the Presidency, and will bring to it cheaply and expeditiously the excellent coal of Singareni. I am obliged to the Honourable Mr. Rees for the warm way in which he has represented the views of Madras.

"In the north-east, by the doubling of a considerable portion of the Eastern Bengal Railway, we hope to provide facilities for the great jute trade in which this city is so largely interested, while it is not too much to say that the construction of the Assam-Bengal Railway, 600 miles, will open up an entire province, and have a lasting effect on another great interest, *i.e.*, trade in tea.

"In Burma we have in hand the completion of the Mu Valley line to Myitkina, which will give a thorough connection to Upper Burma over more than 700 miles of railway, and by the Mandalay-Kunlon, 224 miles, the carrying forward of our railways to the Chinese border.

"In addition to all this, and outside the mileage figures I have given, the Nizam's Government have several railway projects under consideration, and we are assured that a line in the Godavari Valley of some 400 miles in length will shortly be begun. The growing interest taken by native States in railway construction is an encouraging symptom.

"I venture to say that in this programme—I do not profess to have described it exhaustively, but only to have touched on its more prominent features and the longer lines—we have endeavoured to provide for the more pressing needs in many directions in the varying conditions of this great Empire. I do not deny that there are many more to satisfy. I know that here in this city there are those who complain of our inaction. I can say for the Government as well as for myself that we can never be indifferent to anything that would tend to the prosperity of this city and of its trade. No one who has seen the magnificent spectacle of the river crowded with shipping could fail to recognise how strong would be the arguments, sentimental as well as material, against anything that affected adversely interests so great. But, if I may say so in a

whisper, we are doing something for Calcutta on the East Coast Railway—on the Eastern Bengal Railway—perhaps I might add in the opening up of Assam. I am not going to argue in detail the vexed question of the connection to the north. I am bound to say that I am not one of those who think two railways always better than one, or three railways better than two, and I am also bound to add that I cannot find evidence to prove that the existing facilities are insufficient for the existing traffic. On the other hand, I admit that there are districts from which new traffic might come to Calcutta, and I admit that, if and when existing facilities prove insufficient, it would be necessary to provide additional facilities. All I would urge is that in the case of new traffic we are bound to have as complete information as can be obtained, in the case of coal-fields to be opened up we are bound to be satisfied as to the quality and quantity of the coal, and in the case of fresh facilities we must study the best way of giving them; and, much as I should like to see the coal traffic from Palamow or Jherria filling the docks of Kidderpore, all I can say now is that we are prosecuting our inquiries as to the mineral resources of the district between Calcutta and the north-west, but they are not complete.

"As to fresh facilities, *primâ facie*, the first desideratum is to shorten the distance to be travelled. It will have been observed from a reply by the Secretary of State the other day to a question in Parliament, that we have acknowledged that it falls to the East Indian Railway to construct what is undoubtedly the shortest line to the north, namely, the line known as the 'grand chord'; but we have coupled that acknowledgment with a very important stipulation. We are distinctly of opinion that full rights to running powers must be reserved for the administration working the Oudh and Rohilkhand Railway over any lines that may hereafter form part of a new through route between Mogal Sarai and Calcutta, and that stipulation will be found in the contract for the construction of the lines to Shergotty and Gaya now sanctioned. We recognise that it is imperative that the mercantile communities not only of Calcutta, but of Upper India, should be secured the full benefits that such a scheme, when carried out, would bring; and what I wish to make clear is that, if we have not been able to accept the case for the immediate construction of a second line between Calcutta and the north-west, we have at least taken care that no steps we are taking now shall be an obstacle to such a line, if it should be found desirable in the future.

"And, if any one has any hesitation about the efficiency of such a provision, I can give him an example. I was till the other day a director of a railway company in Scotland that only by a right to running powers over a certain section of railway has access to an important city. It was essential to our rivals to shut us out if they could, and I will not deny that they did their best; but that they failed I think will be self-evident when I mention that the line of which I speak formed the 'run in,' 'the finish,' of the great railway race to the north, of which the home papers were so full a few months ago. There will be no lack of competition if the rivals of the East Indian Railway have the same powers as the rivals of the Caledonian.

"I have shown that our programme is a full programme, and that it covers a great deal of ground. I wish now to impress upon you that all this lays upon the Government one duty above others for the present, *i.e.*, to resist temptation. It is very tempting to be asked to embark in large schemes of great works. But, if I am right in saying that the State is concerned in some way or other in every railway enterprise in India, it is undoubtedly incumbent on us not only to push forward railway construction at a favourable time such as this, but to do so at a rate that is not excessive, but can be steadily maintained; to be bold indeed but not to be rash. With this object it is most desirable that the Government should themselves determine in the case of the larger schemes what new railways are required, and when they ought to be undertaken. It is only by so doing that a programme can be formed, can be adhered to, and can be carried out with regularity and efficiency. For the present, it will be clear to everyone that, so far as large schemes are concerned, our hands are full and our ambitions must be humble.

"But there is another branch of railway construction which is at this moment even more important than the prosecution of large schemes, and that is the construction of those shorter lines which spread out from the great systems

systems and, by gathering together the produce of the country, extend the beneficial influence of these systems over a far wider area. There is but one opinion of the necessity that exists for these lines in all directions, if we are to secure the development of the country of which I spoke at the beginning. I hope that, though our hands are full, it will still be possible to proceed with this work. It is a work which is specially suited for the employment of private enterprise, and I have told you the encouragement we are prepared to offer. It is a work which can also be profitably undertaken by the great main lines themselves, and we are anxious to see them engaged in it. It is a work of which the several items may seem unimportant, yet which is the most potent instrument we possess, not only to consolidate and render profitable the great railway system of India, in which so much of its wealth is invested, but to make it an all-powerful agent in the promotion of the material and social advancement and political tranquillity of the people."

EAST INDIA (FINANCIAL STATEMENT) 1897-98.

RETURN to an Address of the Honourable The House of Commons, dated 29 April 1897 ;—*for*,

"COPY of the INDIAN FINANCIAL STATEMENT for 1897–98, and of the Proceedings of the Legislative Council of the Governor General thereon."

India Office,
3 May 1897.

ARTHUR GODLEY,
Under Secretary of State for India.

(*Sir Henry Fowler.*)

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GOVERNMENT OF INDIA.—FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT FOR 1897-98.

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FINANCIAL STATEMENT FOR 1897–98.

PART I.

GENERAL REVIEW.

1. I HAVE the honour to present to the Council the Financial Statement for the year 1897–98; including in it, as usual, the closed Accounts for 1895–96, the Revised Estimates for 1896–97, and the Budget Estimates for 1897–98.

ACCOUNTS OF 1895–96.

2. The Revised Estimates for 1895–96 closed last year with a surplus of Rx. 951,400. In the accounts this result has been improved by Rx. 582,598, the actual surplus of the year being Rx. 1,533,998.

The main differences were (1) that the principal heads of revenue produced Rx. 240,641 more; (2) Railways produced a better net result by Rx. 163,432; (3) The Army net expenditure was Rx. 213,054 less. The other differences are too small to require separate mention.

3. It has not been customary in the Financial Statements to give any detailed explanations with regard to the closed accounts of the previous year, for the simple reason that they are usually published in the fullest detail in the Annual Volume of Finance and Revenue Accounts long before the date of the Statement. In the present year they were published earlier than usual, namely, on January 9th, and it is sufficient to lay a copy on the table, and to refer honourable Members to the analysis of them published in the "Gazette of India" last Saturday, as the Comptroller General's Appropriation Report.

FAMINE CHARGES.

4. Passing to the Revised Estimates for 1896–97, and the Budget Estimates for 1897–98, I call to remembrance what Sir E. Baring said in his Financial Statement for 1882–83, paragraph 92, when he referred to the Famine Insurance policy: "We do not profess to finance for a surplus in a year of famine. When a serious famine occurs, it is inevitable that the Expenditure of the year should be greater than the Revenue." In commencing my Financial Statement of last year, I summed up the actual figures, up to date, of the Famine Insurance Account, but I little thought then that we were on the brink of the disaster for which, during so many years, we had been financially preparing, and that I would so soon have to announce the actual occurrence of deficits, against which that account is the financial set-off.

5. I may repeat here the figures of 15 years' Famine Insurance, substituting the actual figures of 1895–96 for those which were shown in last year's Statement:—

	Rx.
1. Spent upon actual Famine Relief - - - -	320,664
2. Spent upon construction of Protective Irrigation Works - - - - - - - - -	1,813,841
3. Spent upon construction of Protective Railways -	6,550,931
4. Spent in meeting interest upon the Indian Midland and Bengal-Nagpur Railways - - -	3,631,450
5. Charged as reduction and avoidance of debt, that is, as famine surplus - - - - - -	5,327,299
	17,644,185

 6. The

6. The effect of the Expenditure under headings 2, 3, and 4 is that for the present and all future famines we are so much better equipped with the means of meeting the demands arising out of scarcity, that we may reasonably hope to pass through the period of distress with far less expenditure than otherwise would have fallen upon us. In the two years 1876–77 and 1877–78 of the last great famine the Government of India spent under the head of Famine Relief Rx. 7,493,151 ; it will be seen that our present estimate for two years of a calamity, which is at any rate much more widely spread, is Rx. 5,606,900 ; and this difference is due to our far more adequate organisation, of which no small part is the better equipment in the form of Railways and Canals, with which, as the Honourable Sir J. Woodburn pointed out in his speech in Council on October 15th last, we start. The figures I give, of course, very far from exhaust, in either case, the cost of the Famine to the State ; for the loss of Revenue—both ordinary Revenue and Railway Revenue—is very large indeed, and in a hundred different and smaller ways do famine and scarcity cause increases of State expenditure in all Departments.

7. The amount under head (5), Rx. 5,327,299, though charged in our past accounts as expenditure, has really been utilised either in purchase of our own debt, or in reduction of new loans and in the construction of Productive Works. If State bookkeeping, as affecting our Revenue Account, were a continuous operation like the carrying forward of a Profit and Loss Account, instead of one meant to show the results of each twelve months' operations taken by themselves, we would have to write off the cost of the present famine against this past charge of Rx. 5,327,299, before taking any part of it as a charge against the Revenues of the current year. It is necessary to bear this in mind, because one consequence of this method of stating our accounts is that in any total of surpluses and deficits, taken over a series of years which include a famine year, the total surplus so stated is less than the actual facts by the amount of the charge for reduction and avoidance of debt.

8. I shall have to deal separately with the effect of the famine and scarcity upon our ordinary Revenues and Expenditure ; I state here only the totals of the estimated Expenditure upon direct famine relief. They amount to Rx. 1,965,700 in 1896–97 and Rx. 3,641,200 in 1897–98, total Rx. 5,606,900. The first of these figures is largely based on consideration of known actuals for part of the year, but in neither case can I put forward the figures as estimates in the sense in which we ordinarily use that term. Famine relief is administered upon certain definite principles, and on a system of test carefully laid down ; and all I can say about the estimates of famine expenditure in future, is that the figures are a summary of the best opinions which the Local Governments can give, as to the chances of the approaching spring crop, and of the crop due next autumn, and of the manner in which these crops, deficient, normal, or abundant, will affect the multitudes, reckoned now by millions, who are at present compelled to seek relief at the hands of the State. In some parts of the distressed tracts the favourable prospects of the spring crop give ground for hope that the necessities for famine relief will in a short while show a marked diminution. In others, there is no hope of diminution till the autumn crop is harvested, and there may be any amount of increase. No past experience can serve as a guide in the solution of these difficulties of estimating. The figures must be taken for what they are worth ; in some possible circumstances they may be found to be largely in excess of the actual expenditure ; in other possible circumstances they may be found far short of it.

9. Up to the end of January the actual expenditure was 66 lakhs, of which about 13 were spent upon the Bandelkhand famine in the earlier part of the year, a famine of very great intensity for its small area, and so quietly and effectively managed by the Local Government that hardly anything was heard of it outside official circles. It is forgotten now in the presence of the greater calamity with which that same Government, as well as others, have to deal.

10. The amounts charged as famine relief are independent of very large advances under the Land Improvement and Agricultural Loans Acts. But they include advances of another kind which have also been largely made by Government, namely, advances to landholders for works to be conducted by them on famine relief principles for the employment of their famine-stricken tenants,

tenants, in respect of which they undertake to reimburse something approaching to the actual value of the work.

The measure of the Land Improvement and Agricultural advances due to the famine may be judged from the following figures :—

	Land Improvement and Agricultural Advances.			
	1894-95.	1895-96.	1896-97, Revised.	1897-98, Budget.
	Rx.	Rx.	Rx.	Rx.
Central Provinces	81,100	36,800	103,000	110,000
Bengal	9,300	9,700	55,000	50,000
North-Western Provinces	65,000	57,600	420,000	140,400
Punjab	18,700	28,400	89,000	50,000
Madras	28,000	20,400	50,000	25,000
Bombay	88,700	99,300	351,800	117,700
TOTAL	290,800	252,200	1,068,800	493,100

11. The operations of the Opium Department, that is to say, its usual advances for wells and for cultivation, helped very largely towards the relief of the peasantry in the distressed tracts of the North-Western Provinces and of Bengal.

12. While speaking of the finances of famine, it is necessary to note an arrangement in which the Government of India takes part for enabling the Native Bandelkhand States to undertake the necessary expenditure for famine relief of their subjects. They have been hard hit by not one but two or three successive bad seasons, and find themselves in some cases without adequate funds to meet the expenditure. The arrangement made in these cases is that His Highness the Maharaja Scindia has agreed to lend funds to the Native States in question, the Government of India becoming guarantee for the loan, and taking measures to ensure its ultimate repayment.

REVISED ESTIMATE OF 1896-97.

13. The Budget Estimates 1896-97 worked out to a surplus of Rx. 463,100. The Revised Estimates work out to a deficit of Rx. 1,986,900, but between these two figures there are so many differences of detail that it is better to set them out in a tabular form.

ESTIMATES OF 1896-97.

	Budget.	Revised.	Revised Better.	Revised Worse.
STERLING IN ENGLAND—				
Revenue £.	174,100	319,400	145,300	- -
Expenditure £.	15,905,400	15,880,600	28,800	- -
NET EXCHANGE ON ABOVE Rx.	11,729,900	10,270,400	1,459,500	- -
	27,465,200	25,831,600	1,633,600	- -
REVENUES IN INDIA—	Rx.	Rx.	Rx.	Rx.
Land Revenue	26,093,300	23,699,200	- -	2,394,100
Opium	6,895,300	6,386,700	- -	508,600
Salt	8,700,000	8,438,200	- -	261,800
Other Principal Heads of Revenue	23,525,600	23,413,400	- -	112,200
Departmental Receipts, including Interest and Civil Works	6,782,900	7,078,400	295,500	- -
Railways	21,582,800	20,159,600	- -	1,423,200
Irrigation	2,883,300	3,200,700	317,400	- -
Military Works	50,000	61,100	11,100	- -
Army	803,600	836,300	32,700	- -
	97,316,800	93,273,600	- -	4,043,200

	Budget.	Revised.	Revised Better.	Revised Worse.
EXPENDITURE IN INDIA—				
Direct Demands on Revenues:				
Opium	2,593,900	2,503,900	90,000	- -
Other	8,470,700	8,318,700	152,000	- -
Interest	—960,300	—911,300	- -	49,000
Civil Departments	19,096,100	19,089,500	6,600	- -
Famine Relief	75,000	1,951,200	- -	1,876,200
Protective Works	523,500	47,200	476,300	- -
Railways	13,781,500	13,357,400	424,100	- -
Irrigation	3,201,700	3,248,900	- -	47,200
Military Works and Special Defences	1,254,900	1,138,100	116,800	- -
Civil Works	4,757,800	4,708,100	49,700	- -
Army	17,480,100	17,205,700	274,400	- -
	70,274,900	70,657,400	- -	382,500
PROVINCIAL ADJUSTMENT—				
Deduction made for charges taken to Provincial and Local Balances	—886,400	—1,228,500	342,100	- -
Surplus (+) Deficit (−)	+463,100	—1,986,900	- -	2,450,000

14. Of the better receipts in the English account, 68,900*l.* represent premium obtained on issue of India 2½ per cent. stock, and 27,500*l.* interest on investment of cash balance. In the account of expenditure in England there are no differences of sufficient importance to require special mention.

15. The large difference under Exchange is due to the fact that the Budget Estimates were taken at 13·75*d.*, whereas the rate realised has been about 14·46*d.*

16. Under Land Revenue there is a very great falling-off, due to the fact that in the districts where the crops failed it was necessary to give large suspensions of revenue. The following figures show in what provinces the falling-off has occurred, and in the first column of the statement I have shown the figure which, upon the examination made for the purpose of the Provincial Settlements, was established, in our opinion, as the existing standard of Land Revenue receipts, apart from circumstances of famine and distress:—

	Standard.*	Budget.	Revised.	Difference.
	Rx.	Rx.	Rx.	Rx.
India	150,000	150,000	151,800	+1,800
Central Provinces	844,800	864,600	660,000	—204,600
Burma—Upper	812,000	797,000	635,000	—162,000
„ Lower	1,759,300	1,760,000	1,780,000	+20,000
Assam	614,200	614,200	609,000	—5,200
Bengal	3,902,100	3,894,700	3,920,000	+25,300
North-Western Provinces	6,110,900	6,113,900	4,914,200	—1,199,700
Punjab	2,464,000	2,457,100	2,362,200	—94,900
Madras	5,380,000	5,601,700	5,207,700	—394,000
Bombay	4,801,400	4,770,000	4,351,200	—418,800
	26,838,700	27,023,200	24,591,100	—2,432,100
Deduct,—Portion of Land Revenue due to Irrigation	- -	929,900	891,900	—38,000
	—	26,093,300	23,699,200	—2,394,100

* These standard figures exclude "Local," of which the only important figures are Rx. 220,000 in Madras, and Rx. 15,000 in Bombay.

The losses, it will be seen, occur in the Central Provinces, in Upper Burma, very largely in North-Western Provinces, to a small extent in Punjab, and a considerable amount in Madras and Bombay. The whole loss of Rx. 2,394,100 may be put down as caused by the scarcity.

17. Opium

17. Opium shows in the above statement a falling-off of Rx. 508,600, both the Bengal prices and the export from Bombay being unfavourably affected by low prices in China. There is a slight saving on the expenditure side in opium, as the Budget Estimates provided for a better crop than was actually housed.

18. The loss on salt, Rx. 261,800, may for the most part be put down as one of the consequences of scarcity. It is chiefly during the second half of the year that the falling-off has taken place; the receipts of the twelve months ending 30th September 1896 were equal to the full Budget Estimate of Rx. 8,700,000.

19. Under other Revenue heads we almost always have to report a considerable advance in the Revised Estimates over the Budget figure. They would have shown the same progress this year were it not for the falling-off in the North-Western Provinces and in Bombay, where the following losses are recorded:—

	North-Western Provinces.	Bombay.
	Rx.	Rx.
Stamps	22,000	34,000
Excise	125,000	60,000
Provincial Rates	104,000	33,200
Forests	16,700	34,700
TOTAL	267,700	161,900
	Rx. 429,600	

These losses again are due to the effects of famine, and, in the case of the Stamp Revenue of Bombay, still more to the stoppage of trade in consequence of the plague. The Customs Revenue is on the whole slightly better than Budget.

20. Of the improvement under Departmental Receipts, Rx. 124,700 represents the premium received on the last loan (against which, under the same head of "Interest," there was a loss of Rx. 40,000 due by the Calcutta Port Commissioners and remitted), and Rx. 102,000 represents the increased gain on copper coinage, due to the very large issues of that coin in connection with Famine Relief Works. The gain on this coin is brought to credit as the coin passes into circulation.

21. The next great difference requiring explanation is in the Railway Receipts. Confining ourselves to consideration of the earnings of Railways only, we have the following figures:—

	Earnings.	Working Expenses.	Net.
	Rx.	Rx.	Rx.
State Railways—			
Accounts, 1895–96	18,558,294	9,040,836	9,517,458
Budget, 1896–97	18,321,700	9,010,800	9,310,900
Revised, 1896–97	17,524,700	8,825,000	8,699,700
Guraranteed Railways—			
Accounts, 1895–96	6,255,131	2,979,893	3,275,238
Budget, 1896–97	6,330,000	3,097,000	3,233,000
Revised, 1896–97	5,670,000	3,060,000	2,610,000

These figures give a falling-off of Rx. 611,200 on State Railways and Rx. 623,000 on Guaranteed, total Rx. 1,234,200, an amount which accounts for the differences shown in the above statements of Rx. 1,423,200 worse on the Revenue side, and Rx. 424,100 better on the Expenditure side; net Rx. 999,100. The lower receipts have saved us Rx. 142,000 in the payment of surplus profits, and the other Railway charges have also been less than the Budget Estimate. The principal contributors to the above losses are—

	Rx.
North-Western - - - - - - -	140,000
Oudh and Rohilkhand - - - - - -	117,500
Rajputana-Malwa - - - - - - -	252,500
Bombay, Baroda and Central India - - - -	260,000
Great Indian Peninsula - - - - - -	310,000

22. The Eastern Bengal Railway, on the other hand, has gross receipts Rx. 180,000 better than Budget, owing largely to a favourable jute season.

23. Irrigation is the only head which in a year of drought shows an improvement. The net receipts are better than Budget by Rx. 269,500, the improvement being shared between the North-Western Provinces and the Punjab.

24. Passing to the figures on the Expenditure side, the heads Direct Demands on Revenues (other than Opium) and Civil Departments represent mostly charges regulated by sanctioned scale, and they show the usual savings as compared with Budget. The excess expenditure under Interest is mostly a question of the distribution of this charge between ordinary debt and Railway debt. The heavy excess expenditure on Famine Relief requires no further explanation beyond what is given above. The saving on Protective Works is not a real one, it merely means that the East Coast, including the Bezwada-Madras Railway, which is both a productive and a protective line, and which is charged to the Famine Grant when that grant is not otherwise appropriated, has this year to be transferred to the Capital Account of Railway Construction.

25. There is a considerable saving of Rx. 274,400 under Army Expenditure. The principal items included in this are—

	Rx.
Unspent out of the special grant of Rx. 494,900 for mobilization purposes, included in Budget - -	120,000
Savings in Exchange Compensation Allowances in consequence of better exchange - - - -	80,800
Savings in ordnance manufactures - - - -	75,000
Other very numerous savings on the grants (net) -	240,600
TOTAL - - -	516,400

Against this the rise in prices which set in in September has caused extra expenditure of Rx. 196,000, and excesses over established or estimated strength have caused excess charges of Rx. 46,000.

26. The "Provincial adjustment" is better by Rx. 342,100; translated into non-technical language, this means that the Provincial balances bear a share of the loss of Revenue and of the Expenditure (chiefly Famine Expenditure) included in the General Account, which is larger by Rx. 342,100 than they estimated a year ago they would have to bear. The total Provincial and Local Balances of 31st March 1897 stand as follows :—

	Budget, 1896–97.	Revised, 1896–97.
	Rx.	Rx.
Provincial Balance - - - - -	1,437,022	1,222,549
Local Balance - - - - - -	1,276,221	1,144,703
TOTAL - - -	2,713,243	2,367,252

27. It

27. It may be well here to collect together the various items in these explanations which we have attributed to the effects of famine and scarcity—

	Rx.
Direct cost of Famine Relief	1,876,200*
Rise in prices in Army Expenditure	196,000
Loss of Revenue—	
Land Revenue	2,394,100
Salt Revenue	261,800
Other Revenues in North-Western Provinces and Bombay (excluding Stamp Revenue)	373,600
Loss of Railway Revenue (net)	1,234,200
TOTAL	6,335,900
Gain under Irrigation Revenue	269,500
NET RESULT	6,066,400

* Besides Rx. 14,500 for English Expenditure and Exchange thereon.

Of the above amount, Rx. 574,700 falls upon Provincial and Local Balances, leaving Rx. 5,491,700 to be borne by Imperial.

LOAN OPERATIONS IN 1896-97.

28. As announced in the last Financial Statement, a 3 per cent. loan of four crores of rupees was offered for public tender upon 22nd June, and the tenders were received upon 22nd July. Money throughout the earlier part of the financial year was extremely cheap, the Bank rate in England being 2 per cent., and in Calcutta 4 per cent. from 28th May, and 3 per cent. from 2nd July. The price of paper ruled high, our 3½ per cent. guaranteed loans being in April about R108-7, in May about R110-4, and June about R110-2. The loan was very largely tendered for, and was placed at an average of R103-1-10$\frac{1}{2}$, the lowest accepted tender being R102-7, and the allotments were practically all paid up by the end of August.

29. It will be remembered that in our conversions of 1894 we offered to those holders of paper who accepted conversion, an equivalent amount of promissory notes on which 3½ per cent. interest was guaranteed up till August 1904. Those who did not accept were afterwards offered, and most of them accepted, ordinary 3½ per cent. paper without any guarantee. We considered ourselves, therefore in a manner bound, if favourable opportunity offered, to convert the unguaranteed 3½ per cent. paper, as otherwise it would necessarily be quite as good as the guaranteed. The amount of this ordinary 3½ per cent. paper was—

(1) Outstanding of 1853-54	46,760
(2) „ 1893-94	3,500,000
(3) Accepted in conversions of 1894-95	2,138,190
TOTAL	5,684,950

30. Accordingly, after ascertaining that the operation of converting the outstanding unguaranteed 3½ per cent. paper into the new loan would not be regarded by the holders of the new paper as in any way interfering with them, but would indeed rather help them by increasing the amount and the marketableness of the new loan, we notified this conversion upon 4th September. The success of the new loan had established for the time a high price for securities of the Government of India, and the prospects of the conversion were favourable.

31. Rates held up, both in England and India, just long enough to enable the operation to be successfully closed. The Bank of England rate, which had

stood at 2 per cent. from February 1894, was increased to 2½ per cent. on 10th September 1896, and to 3 per cent. upon 24th September, and the rise was the signal for a depression in the value of our securities. When the final day came of tendering for conversion, the amount that had been tendered came to Rx. 4,887,160, and Rx. 797,790 was left outstanding for discharge. Of this amount, Rx. 296,600 has been presented for payment up to the beginning of March.

32. Since money hardened in Calcutta in November, the price of the new 3 per cent. paper has ruled below par, but this is partly due to the comparative absence of a market, as compared with the larger bulk of the 3½ per cent. paper. Our present intention at least is to persevere with the 3 per cent. rate, and by our future loans to increase its amount. We have now practically only two kinds of paper on the market, viz., the 3½ per cent. guaranteed till 1st August 1904, and the 3 per cent. guaranteed until 31st December 1916. The amounts of these two kinds of debt are at present as follows: 3½ per cent. Rx. 82,754,840, besides Rx. 8,159,500 held in the Currency Reserve; 3 per cent. Rx. 8,887,160, besides Rx. 2,048,650 created during the year for issue to Currency as mentioned in the next section.

RATE OF EXCHANGE.

33. Last year closed with a reaction from a somewhat sudden rise in the rate of exchange to $14\frac{3}{4}d.$ During April and May the rate fell from $14\frac{3}{8}d.$ to $13\frac{13}{16}d.$ In June it recovered to $14\frac{5}{32}d.$, and from then till the middle of October the rate was very steady at about $14\frac{1}{8}d.$ and $14\frac{3}{16}d.$, the Secretary of State being very successful in selling his Bills. By the middle of October we had realised that a famine was upon us, and that it would be necessary, as a first step in meeting it, to make large suspensions of revenue and large agricultural advances. We were obliged, therefore, at very short notice to ask the Secretary of State to greatly reduce his drawings. And the result was that the rate of exchange and the Bank rate of interest both very sharply rose. The second week's drawing of October was at $14\frac{7}{32}d.$; the second week's drawing of November was at $15\frac{27}{32}d.$

34. This action on our part caused, I am afraid, grave inconvenience to mercantile circles in India; but it was not avoidable. It was only when the first ten days of October passed without bringing the desired rain, that famine was converted from a mere possibility into an almost certainty, and the area affected was so widespread that the case demanded the reservation of all our financial means. These we took the opportunity of strengthening by carrying out on 17th December a measure which had been under public discussion for over a year, viz., the addition of two crores to our cash balances by the investment of part of the Currency Reserve. The exact figures of this operation were the issue of R2,04,86,500 stock of the 3 per cent. Loan of 1896-97, at the rate of the day, R97-10 per cent., being R54-6 less than the full two crores. With this transaction the tenseness of the situation passed away; but the rate of exchange on the drawings never fell below 15 pence, as the Famine expenditure and prospects compelled the Secretary of State to reduce his drawings, and there came a heavy demand for remittance in connection with the Burma rice crop.

BUDGET ESTIMATES, 1897-98.

35. Following my previous practice of abstaining from any speculation in exchange, I have taken the rate for the Budget Estimate at the same figure which has been realised in the year 1896-97, namely, 14·46 pence. It is impossible to say how trade and exchange may be affected by the very peculiar circumstances of the coming year. Made up upon this basis, the estimates of Revenue and Expenditure work out to a deficit of Rx. 2,464,000. It will be most convenient in explaining the details to compare them with the Budget figures of 1896-97, rather than with the altogether peculiar figures of the Revised Estimates.

36. This

36. This comparison, made in the same form as adopted in paragraph 13 above, is as follows:—

BUDGET ESTIMATES of 1897-98 compared with those of 1896-97.

	Budget, 1896-97.	Budget, 1897-98.	1897-98, Better.	1897-98, Worse.
STERLING IN ENGLAND—				
Revenue - - - - - - £.	174,100	173,000	—	1,100
Expenditure - - - - - - £.	15,909,400	16,088,500	—	179,100
NET EXCHANGE ON ABOVE - - - Rx.	11,729,900	10,504,200	1,225,700	—
	27,465,200	26,419,700	1,045,500	—
REVENUES IN INDIA—	Rx.	Rx.	Rx.	Rx.
Land Revenue - - - - - - -	26,093,300	25,646,200	—	447,100
Opium - - - - - - - -	6,895,300	5,816,200	—	1,079,100
Salt - - - - - - - - -	8,700,000	8,734,000	34,000	—
Other Principal Heads of Revenue - -	23,525,600	23,578,200	52,600	—
Departmental Receipts, including Interest and Civil Works - - - - -	6,782,900	6,945,800	162,900	—
Railways - - - - - - - -	21,582,800	20,682,100	—	900,700
Irrigation - - - - - - - -	2,883,300	3,122,500	239,200	—
Military Works - - - - - -	50,000	50,000	—	—
Army - - - - - - - - -	803,600	814,600	11,000	—
	97,316,800	95,389,600	—	1,927,200
EXPENDITURE IN INDIA—				
Direct Demands on Revenues—				
Opium - - - - - - - -	2,593,900	2,654,000	—	60,100
Other - - - - - - - -	8,470,700	8,520,400	—	49,700
Interest - - - - - - - -	—960,300	—961,900	1,600	—
Civil Departments - - - - -	19,096,100	19,308,800	—	212,700
Famine Relief - - - - - -	75,000	3,641,200	—	3,566,200
Protective Works - - - - -	523,500	25,000	498,500	—
Railways - - - - - - - -	13,781,500	13,752,000	29,500	—
Irrigation - - - - - - - -	3,201,700	3,110,000	91,700	—
Military Works and Special Defences - -	1,254,900	1,207,300	47,600	—
Civil Works - - - - - - -	4,757,800	4,398,200	359,600	—
Army - - - - - - - - -	17,480,100	16,968,900	511,200	—
	70,274,900	72,623,900	—	2,349,000
PROVINCIAL ADJUSTMENT - - - -	—886,400	—1,190,000	303,600	—
Surplus (+) Deficit (—) -	+463,100	—2,464,000	—	2,927,100

37. The main increases of expenditure in the English Account are—

(1) Increasing interest payments, which account for differences of 61,400*l.* under Interest, and 99,100*l.* under Railways.

(2) Increase of 37,700*l.* under Superannuation Charges.

(3) There is an increase of 65,600*l.* under Army Non-Effective Charges; but it is more than counterbalanced by a saving of 120,700*l.* under Army Effective Charges, chiefly on account of Military Stores for India.

38. The deficiency under Land Revenue is heavy, namely, Rx. 447,100, and may be explained by saying that in Upper Burma, in the Central and the North-West Provinces, and in the Punjab, we do not at present expect to receive, during the coming year, nearly the full measure of Land Revenue. The deficiency comes in the beginning of the year, and is due entirely to the failure of crops. If a prosperous harvest should ensue next October and November, we may reasonably hope for much better results than those shown in our Estimates.

39. Under Opium we are now suffering from the reaction which two years ago I pointed out to be inevitable. Scanty crops, and the high prices that follow them for a time, give favourable financial results while they last, but the high prices kill the demand, and both the exports of Malwa opium fall off and smaller prices are realised upon the Bengal drug. The prospects of the coming season, looked at from the point of view of the Opium Department, are extremely favourable, but to our Budget Estimates they mean low prices realised upon the still scanty sales, and heavy outgoings in payment for the raw produce. The result is a falling-off which may be thus distributed :—

	Rx.
By lower prices realised on the Bengal sales - - -	877,500
By smaller export and lower duty in Bombay - - -	190,000

and on the Expenditure side—

By heavier payment to cultivators - - - - -	60,100

40. Under other Revenue heads there are on the whole better results, though the influence of the famine is still shown in a falling-off, under Excise of Rx. 65,600, and under Provincial Rates of Rx. 48,100.

41. The Departmental Receipts are expected to be somewhat better on the whole than in the Estimates of 1896–97. Post Office shows an advance of Rx. 56,600, more than covered, however, by an increased expenditure, and Telegraph shows worse results on both sides, partly because the advance in revenue has been less than expected, and partly because the rents charged to Railways for the use of wires and instruments have been reduced, and it is intended to introduce certain improvements in respect of delivery of deferred messages.

42. Railways show a great falling-off, as the traffic on them will be greatly affected as long as the effects of the present scarcity last. The following figures may be taken as a continuation of those stated in paragraph 21 above (Indian Accounts only) :—

Budget, 1897–98.	Earnings.	Working Expenses.	Net.
	Rx.	Rx.	Rx.
State Railways - - - - -	18,023,400	9,027,300	8,996,100
Guaranteed Railways - - -	5,740,000	3,110,000	2,630,000

43. On the expenditure side the figures which require special explanation, in addition to the above remarks, are the following :—

Direct Demands on the Revenues.—Increase Rx. 49,700. The principal item is Rx. 36,900 under Forests, which is of the nature of commercial outlay intended to bring in a good return. The Forest Department are carrying out a scheme, long planned and elaborated, which involves considerable additions to the subordinate establishments engaged in conserving and working the Forests.

44. *Civil Departments.*—Increase Rx. 212,700. Of this, the principal items are Post Office, Rx. 78,400, and Telegraph, Rx. 44,700, due to normal expansion of the Departments ; Jails, Rx. 68,400, being the estimates which the Provincial Governments make of the consequence of increase of prices of food, and of the probable temporary increase of jail population in the distressed tracts ; Police, Rx. 70,500, due to continued pursuance of the plans for the reform of this Department, but also in some places the result of scarcity and distress ; Superannuations, Rx. 28,200, an inevitable annual increase.

45. The heads of Famine and Railways have already been dealt with, and, as explained in dealing with the Revised Estimates, the entry of Rx. 498,500 less expenditure on protective works, merely means that we shall not, in 1897–98, obtain from the Famine Grant the aid it usually gives towards expenditure on Capital Account. In view of the amounts provided for Famine Relief, it has not

not been considered necessary to make special provision for any expenditure which may be entailed on the Imperial Account by the plague.

46. *Civil Works.*—The less expenditure, Rx. 359,600, is due to the restriction of programme by the various local governments enforced by the great reductions that famine expenditure has made in their available balances.

47. Under Army there is, on the whole, a less expenditure in India by Rx. 511,200. A fuller statement of the comparison between the Estimates of 1896-97 and 1897-98 would be the following:—

	1896-97.	1897-98.	1897-98, Better.
Mobilisation Grant:			
England - - - - - £.	51,200	—	51,200
India - - - - - Rx.	494,900	100,900	394,000
Ordinary Grant:			
England - - - - - £.	4,357,300	4,353,400	3,900
India - - - - - Rx.	16,985,200	16,868,000	117,200

The Mobilisation Grant was a special one for 1896-97, and a comparatively small amount of expenditure under this head is admitted into the Estimates of 1897-98.

The principal features in the differences in the ordinary portion of the Estimates are: (1) the higher prices of food necessitate an increase of Rx. 399,300 in the Estimates of 1897-98; and (2) there will be a saving of Rx. 326,000 in consequence of the application of more favourable rates of exchange to the calculation of the allowances of officers and of British soldiers. There are further numerous savings and a few increases of charge, for which I refer to Part II. of the Statement.

QUINQUENNIAL SETTLEMENTS OF PROVINCIAL FINANCE.

48. The usual quinquennial investigations and settlements of provincial finance were made in the course of the year. Our proposals on the subject were made to the provincial governments at the beginning of October, before the appearance of famine; and afterwards, when famine supervened, we considered that, as the arrangements depend, not upon the figures of any one year, but upon the general standard of revenue and expenditure, it would be sufficient to reserve the final settlement, so far as it regarded land revenue and excise, and one or two other heads, in the provinces severely affected by famine, but it was better to settle all other matters than to leave them in a condition of suspense. The settlement of these standards of existing revenue and expenditure is the necessary condition for the exercise by local governments of the financial authority entrusted to them, in the same sense as the settlement of the Budget Estimates determines the plan upon which our own financial administration is to be pursued for the next 12 months.

49. The first process in these settlements is the inquiry, what is to be accepted as the proper amount of expenditure for which an assignment of revenue is to be made. The expenditure may be stated in general language as that incurred in each province upon civil administration; the revenue and expenditure on account of irrigation are also provincialised in Bengal, North-Western Provinces, and Madras, but this part of the arrangements need not be more specially referred to at present.

50. In two tabular Statements, A. and B., appended to this part of the Financial Statement, I set forth in detail the estimates accepted for the expenditure in 1897, and compare them with the estimates of the same kind upon which the similar settlement was made in 1892. I may mention that we

have not, or we practically have not, rejected any of the existing expenditure of the provincial governments as requiring to be disallowed, as we find that the increases of scale of expenditure are sufficiently moderate. The details of the comparison are as follows:—

	Net Expenditure.		Increase per Cent.
	1892.	1897.	
	Rx.	Rx.	
Central Provinces - - - - - -	653,300	710,700	8·8
Lower Burma - - - - - - -	1,064,600	1,206,100	13·3
Assam - - - - - - - -	467,600	564,900	20·8
Bengal - - - - - - - -	2,816,700	3,125,500	10·9
North-Western Provinces - - - -	2,215,400	2,428,700	9·6
Punjab - - - - - - - -	1,384,600	1,537,300	11·0
Madras - - - - - - - -	2,054,800	2,238,600	8·9
Bombay - - - - - - - -	2,409,500	2,544,100	5·6
TOTAL - - -	13,066,500	14,355,900	9·9

It is fair to the local governments to notice that part of the above increase of expenditure was that which was entailed upon them by the allowances given in compensation for fall of exchange.

51. An examination of the revenue side of the account showed the following results:—

The Central Provinces have been hard hit by two or three bad seasons, and they have been disappointed in the increase of revenue which they might reasonably have expected. We found it necessary to assign them a slightly higher amount than they would have got had the 1892 settlement continued in force. Their balance has been absorbed by their necessary expenditure somewhat exceeding their revenue, and their misfortunes of the current year have, quite apart from famine, entirely swept away their available resources. We reckon that we enhance their assignment by Rx. 29,200 a year; and we have also to make up a small deficit in their balance.

52. Assam shows a fairly progressive revenue, but it is, as Sir E. Baring said in 1882, "a poor province with many wants." We find that we might, upon the present revision, reduce its assignment of revenue by a small amount, say Rx. 11,400. But we have adjudged it better to leave the province this amount of surplus.

53. Burma (that is, in the present connection, Lower Burma only) is a young and rapidly progressive province. Its revenue (mainly its land revenue) increased during the past quinquennium by 13·9 per cent., and its expenditure has increased, as above shown, by 13·3 per cent. The above figures are independent of its railway revenue, the Burma railways having been, with a slight reservation, provincial up till now. The railway part of the 1892 settlement has been very profitable to the local government, which has maintained very high, though decreasing, balances throughout the five years. It finishes the present contract with a balance of Rx. 294,300. We have thought it desirable for the present to deprovincialise the railways, as they have now been made over to a company, and some questions remain to be settled regarding their future administration; but otherwise Burma is only a little worse off (say, Rx. 9,000 a year) than if the 1892 settlement had continued in force.

54. The Chief Commissioner—or, in future, Lieutenant Governor—takes over now provincial responsibility for Upper Burma in the same way as for Lower. The Estimate of Expenditure is shown in the penultimate column of Table B., and sufficient revenue has been assigned to meet it. I am afraid that the first effect of this will be to use up part of the high balance with which the Chief Commissioner starts under his new settlement, in paying for famine relief in his

his new province, and also possibly in meeting some temporary loss of revenue in it.

55. The Punjab is a politically important province, and it has shown during the last quinquennium only a moderate expansion of revenue. The consequence is that its resources under the 1892 settlement have been found rather too narrow for the demands of its expenditure, and it has been obliged to reduce its public works grants somewhat below the needs of the province. Further, the failure of revenue in the current year has reduced its balance below the authorised minimum. We find that we place it in a fair financial position, if we concede to it, in addition to the revenue assigned in 1892, an allowance about equal to the expenditure imposed on it by exchange compensation; and, when the famine account is closed, we shall have to make to it also, as to the Central Provinces, a grant in recoupment of its exhausted balances.

56. In the provinces with which I have as yet been dealing, we did not expect, and we did not wish, to make a profit to the general account by reducing the amount of revenue assigned to the local Governments. Our examination satisfied us that their expenditure was already on a sufficiently limited scale, and that the whole, or nearly the whole, of the revenues assigned to them could be properly left at their disposal.

57. But we have also in the case of these provinces made another arrangement to their advantage. The revenues assigned for provincial use are, as is well known, certain shares of the various heads of revenue. These shares in the larger provinces of Bengal, North-Western Provinces, and Madras, are about equal, on the whole, to their net expenditure; but in the smaller ones, where the expenditure naturally bears a larger proportion to the revenue, they require to be supplemented by a grant which under present arrangements is a fixed amount. While the revenues increase, this fixed amount does not, and it thus results that, whereas in the big provinces, if the revenue increases by 5 per cent., the local Governments have the power (temporarily or permanently, as the case may be) of increasing their expenditure by 5 per cent., yet in the smaller provinces an increase of revenue by 5 per cent. only permits an increase of expenditure by, say, 3 per cent. This is the reverse of what ought to be, for the irresistible demands in the new provinces are proportionately greater than in the old ones. We have, therefore, in the newer provinces enhanced the shares of some of the assigned revenues, by reducing *per contra* the fixed amounts granted in addition to the variable shares. In this way we have given the Punjab ·4, and the Central Provinces ·5, of its land revenue, instead of ·25 only. In Burma, which, with Upper Burma now added, has a very large expenditure as compared with its revenue, and also probably considerable demands, and from which we have for the present withdrawn the railway revenue, we have found it necessary, in pursuance of this purpose to raise the share of land revenue as high as two-thirds, and we have given it also half its excise instead of one-quarter only.

58. The state of provincial finance in the North-Western Provinces had begun to give us anxiety, even before the outbreak of famine. Sir E. Baring in 1882 pronounced (Financial Statement of 1882, paragraph 58), as the result of an inquiry made under his orders, that nowhere in India is a reduction of taxation more required than in the North-Western Provinces and Oudh; and he took certain measures for that reduction which, for reasons fully explained in this Council at the time, were partly reversed in 1889. It is, therefore, perhaps not unnatural that the revenue of these provinces has shown very little expansiveness. There is a certain advance in its land revenue as districts come under re-settlement, but it is rather backward, or at any rate non-progressive, in respect of excise and other revenue. At all events its revenue from 1892 to 1897 has advanced only about 2 per cent., much less than that of any other province.

59. Now, the settlement of 1892 left the North-Western Provinces with less of revenue than was necessary for its standard of expenditure. The reasons for this I need not mention, but it was intended that five lakhs of its admitted expenditure should be met by reduction of balance.

 60. There

60. There is also one feature peculiar to the North-Western Provinces provincial account. It is dependent to the extent of 30 or 35 lakhs of rupees a year upon the net revenue of irrigation canals. Now, one year, very recently, there were unusually good cold weather rains, and the people did not want water from the canals; the result was that the Government of the North-Western Provinces lost 20 lakhs upon its irrigation account, and I need not say that no provincial account can stand a loss of that magnitude. True, in this last year of drought, the 20 lakhs have come back to it in the irrigation account, but the losses under land revenue and other heads are so enormous as to swamp this particular gain, and the North-Western Provinces account finishes this year, without reckoning any famine charges, with a debtor balance of Rx. 200,800, which, of course, we have to make up by a grant out of Imperial. Grants like this, I may remark, are not shown on the face of our accounts; they are made by redistributing the land revenue between the Imperial and provincial columns.

61. We have carefully reviewed the requirements of the province in the way of expenditure, and we have come to the conclusion that we must enhance its assignment by nearly as much again as the five lakhs by which the assignment of 1892 fell short of the admitted standard of expenditure.

62. We have, in addition to this, made it a grant of four lakhs for the year 1897–98 to enable the Lieutenant-Governor to establish his district funds on a financially independent basis, this step, which has been long ago accomplished in every other province in India, not having yet been carried out in the North-Western Provinces.

63. We come now to the important and wealthy maritime provinces of Bengal, Madras, and Bombay, towards which the commercial wealth and the industrial progress of India tend to accumulate. To them we naturally look for obtaining the means for that redistribution of resources which, to again quote Sir E. Baring's Financial Statement of 1882, is one of the objects of the quinquennial revisions; "It is indeed obvious," he said, "that, in view of the manifold demands on the Imperial treasury, and the necessity for affording relief to provinces whose means are straitened, the Government of India cannot forego all its claims on the increments of revenue which arise from the growing wealth and prosperity of the country." The mention of the balances of the provincial account in these three great provinces, from 31st March 1892 onwards, will show that they may reasonably expect, with a slightly smaller assignment of revenue than at present, to continue their past career of financial prosperity. The balances in Bengal were, in lakhs of rupees, $23\frac{1}{2}$, $22\frac{1}{2}$, 26, 43, 58; in Madras 42, 26, 29, $38\frac{1}{2}$, 43; in Bombay 41, 38, 40, 30, 40; and since in each case the local Government was at liberty to estimate for the expenditure of all excess over 20 lakhs, it may be taken that their present scale of expenditure is not the result of any specially enforced economy.

64. We have carefully examined both the revenue and the expenditure of each of these provinces, and we propose to allow in the present assignment for the actually existing scale of expenditure. The following figures compare the rate of growth of revenue with that of growth of expenditure:—

	Increase of Revenue from 1892 to 1897.	Increase of Expenditure now allowed.
Bengal - - - - -	9·6 per cent.	10·9 per cent.
Madras - - - -	14·9 per cent.	8·9 per cent.
Bombay - - - -	10·0 per cent.	5·6 per cent.

In

In stating the increase of revenue for Bengal, the railway revenue, alluded to below, is left out of account; and the figures for Madras and Bombay are based on the estimates made by the Government of India before the diminution caused by famine and plague.

65. To a small extent in Madras, namely, in respect of its land revenue, the assignment of revenue is provisional and will be settled next cold weather. In the case of Bombay, we have had to postpone the final settlement also of excise, stamps, and forests. But, even with these heads remaining open for final determination next year, the settlement is sufficiently complete to be the basis of the exercise by the local Governments of provincial financial powers.

66. As regards the effect on the provincial accounts as compared with that of a continuation of the present assignments, the facts are—

(1) In Bengal we resume a special grant which fluctuated with the earnings of the Eastern Bengal Railway (which is not under provincial administration), and we give Rx. 269,400 in lieu of it. The railway grant was given in 1892 as the equivalent of Rx. 320,000, though, if renewed now on the same terms, it would be worth to the Lieutenant-Governor very much more.

(2) In Madras the assignment is less than that of the 1892 settlement by Rx. 98,200 or Rx. 138,200, according as the local Government's estimate of land revenue or that of the Government of India is ultimately adopted.

(3) In Bombay it is quite impossible to say what the difference is. If the revenue in the future is to be as seriously reduced as the Government of Bombay estimates, the new settlement is practically a continuation of the old one. But we hope, when present troubles are over, to find the standard of revenue much higher than the Government of Bombay puts it.

67. It is necessary to add a few words as to the manner in which the provincial accounts are affected by the famine expenditure. The established policy in such cases is that local funds must first be called upon to bear all the expenditure they reasonably can bear, and to "direct their whole resources, subject only to the maintenance of absolutely necessary works in non-affected tracts, to afford relief;" thereafter the local Governments must meet the demands upon them out of their provincial balances. At the point where these are reduced below the standard required as working balances for the provincial financial administrations, the Imperial Government has to step in, and bear the rest of the burden, which, in the case of a great famine, is necessarily by far the largest share of it.

68. In the Central and North-Western Provinces the provincial balances, as already explained, are more than exhausted by reason of failure of revenue. In these cases not only will Imperial have to bear all the charges of famine, but it will have to make up, in addition, the deficit in the provincial balance.

69. Bombay is nearly as bad; its provincial account has been hard hit by loss of revenue. It can bear, in provincial and in local account, only a few lakhs out of its famine expenditure, and all the rest has to be borne by Imperial.

70. Madras is fortunately only slightly affected by famine, and its revenues have suffered very little. Between its provincial and its local balances it will be able to bear the whole, or nearly the whole, of its famine expenditure.

71. In Upper Burma the famine expenditure, which is only six or seven lakhs in each year, will be charged to Imperial this year and to provincial next.

72. In Bengal only a small area is affected, and the general condition of the province, as reflected in its revenue account, is one of prosperity. Its high balance, which, if it had no famine expenditure to bear, would, on 31st March 1897, stand at Rx. 595,700, will be largely dispersed during this and next year by heavy famine expenditure. This sounds a little harder upon Bengal than it really is, for, as a matter of fact, this high balance is the produce, not of any provincial revenues in the ordinary sense, but of the Imperial grant out of railway revenues not under Bengal administration, which three successive good jute seasons have so enhanced as to give the province a profit, in the three last years, of Rx. 353,500. But I am afraid that this consideration will afford little consolation to His Honour the Lieutenant-Governor for the financial misfortune which has overtaken both his finance and mine.

73. As the estimates stand, after all the charges for famine are thus distributed, the provincial balances are shown upon 31st March 1898 as follows:—

	Rx.		Rx.
Central Provinces - - -	Nil.	North-Western Provinces -	Nil.
Burma - - - - -	140,900	Punjab - - - -	36,100
Assam - - - - -	85,800	Madras - - - -	100,000
Bengal - - - - -	100,000	Bombay - - - -	49,500

These will require some adjustment to the necessities of the several provinces, when we come to the end of the year; for the provinces cannot be left without a safe working balance at the very least. What this adjustment will be it is unnecessary now to discuss, for, as already explained, the estimates of famine outlay, though the best we can make, are very far from trustworthy, and the actual expenditure is determined by circumstances quite outside any control of ours. We therefore must wait until we can approximately close the account of the famine, and of the immediate disasters to revenue which it brings in its train.

RAILWAY CONSTRUCTION.

74. In the last Financial Statement I mentioned that the question of railway extension was under the general consideration of the Government. A programme involving considerable outlay was explained to the Council by His Excellency the Viceroy on the Budget discussion on 26th March; and the question had been carefully considered in correspondence with the Secretary of State, how to raise the necessary money for the outlay, as the amount required went beyond the capacity of the Indian Money Market.

75. At the beginning of the year the Secretary of State gave formal approval to a programme of railway construction, either direct by Government or by companies acting under guarantee of the Government, which covered about Rx. 28,000,000 of railway expenditure, to be spread over three years, of which 1896-97 was the first. For this 28 crores of expenditure we were to raise in India as much money as we thought we could conveniently borrow, and the rest was to be raised in England, either directly by the Secretary of State or by companies acting under agreements with him. But the amount of 28 crores thus arranged for does not include the transactions of certain companies whose relations with Government do not involve a direct guarantee by the latter, and which work under special terms (like the Bengal and North-Western Railway) or under what are known as branch line terms. Nor does it include certain small transactions on provincial account which are charged to revenue.

76. The

76. The operations thus fall into three categories, namely :—

I. State railway construction, for which money is found by Government, aided by capital or debentures raised by two companies, the East Indian Railway Company and the Assam-Bengal Railway Company.

II. Construction by companies, under contract with Government, out of funds raised by the companies, but supplemented in two cases by funds advanced at interest by the Government.

III. Construction by companies out of their own funds and outside the Government Accounts; and also construction by branch line companies.

There is a fourth category, viz., the old guaranteed companies; and, though some negotiations are pending in respect of new capital construction by them, they are not further alluded to in these figures.

77. These three categories account respectively for the following expenditure :—

	Revised, 1896-97.	Budget, 1897-98.
	Rx.	Rx.
First category - - - - - - -	5,767,700	6,700,000
Second category - - - - - - -	2,990,600	3,430,000
Total on Government Account - -	8,758,300	10,130,000
Third category - - - - - - -	2,470,200	3,283,800
TOTAL - - -	11,228,500	13,413,800

These figures, it should be remembered, include expenditure in England as well as expenditure in India.

(*a*) FIRST CATEGORY.

78. The estimated expenditure of the two years falling under the first category is as follows :—

	Revised, 1896-97.	Budget, 1897-98.
Money available by—	Rx.	Rx.
Grant under 48.—State Railway Construction.	3,819,900	5,838,600
East Indian Railway Company's debentures.	1,437,000	662,100
Assam-Bengal Company's capital and debentures.	510,800	199,300
TOTAL - - -	5,767,700	6,700,000

The East Indian and Assam-Bengal are State railways in the hands of companies who have power to raise debentures, and in the case of the Assam-Bengal Company share capital also, in sterling, for construction purposes. The capital and debentures raised by these companies are, of course, appropriated to their particular lines; but, to the extent to which the raising of the money is in advance of its expenditure, the capital so raised diminishes for the time the total amount of construction for which money has to be charged direct on the Government Account of Capital Construction.

 79. The

79. The above money has been appropriated to the following construction, in which I have omitted separate specification of the smaller items:—

	Rx.	Rx.
State Agency, Open Lines:		
North Western	435,000	37,700
Eastern Bengal	448,900	322,500
Other lines	76,000	73,200
State Agency, Construction:		
Burma	166,000	—
East Coast	292,800	65,000
Godaveri Bridge	—	185,000
RaeBareli-Benares	257,100	432,500
Mari-Attock	373,700	300,000
Mushkaf-Bolan	210,200	—
Kotri-Rohri	420,100	211,000
Bezwada-Madras	841,800	800,000
Southern Punjab	—	222,300
Other lines	92,500	220,100
Companies' Agency, Open Lines:		
East Indian	680,000	1,200,000
Tirhoot	24,100	110,000
Other lines	59,400	135,500
Companies' Agency, Construction:		
Assam-Bengal	1,170,600	1,330,000
Tirhoot extensions	220,000	600,000
Other lines	— 500	—
Unappropriated	—	455,200
TOTAL	5,767,700	6,700,000

80. The following is a statement of the principal items of expenditure included in this list:—

Eastern Bengal.— 1896-97: doubling of the line north of Ranaghat. 1897-98: additional rolling-stock.

Burma.—This line was transferred to a company, that is, to the second category, from 1st September 1896, and the further expenditure after that date is shown there.

East Coast.—Is open for traffic from Bezwada to Cuttack, except the Godaveri Bridge.

Godaveri Bridge.—A commencement is being made of this work, which is to cost about 55 lakhs, and will take two years to construct.

RaeBareli-Benares.—The expenditure shown will complete the line and open it for traffic.

Mari-Attock.—Will be approaching completion at end of 1897-98.

Mushkaf-Bolan.—Finished, including double line, on the 1 in 25 gradients.

Kotri-Rohri.—1896-97: open for traffic, excluding the Indus Bridge at Kotri. 1897-98: the bridge will be completed.

Bezwada-Madras.—Will be approaching completion at the end of 1897-98.

Southern Punjab.—The expenditure is for the provision of rolling-stock, which falls upon the Government.

East Indian.—The expenditure is upon the Mogul-Sarai to Gya branch, and for additional rolling-stock.

Assam-Bengal.—Open from Chittagong to Bardarpore, and for 75 miles from Gauhati. The expenditure is chiefly on the hill section and on the northern section.

(*b*) SECOND CATEGORY.

81. The expenditure by companies under contract with Government, other than the two above specified, is—

	Revised, 1896–97.	Budget, 1897–98.
Companies' Expenditure on the Government Account :	Rx.	Rx.
Burma - - - - - -	535,400	771,000
Bengal-Nagpur - - - - -	715,200	1,190,400
Ditto (*a*) - - - -	842,500	938,000
Indian Midland - - - -	438,500	21,600
Ditto (*a*) - - - -	239,900	236,500
Bengal Central - Lucknow-Bareilly Mysore - - Southern Mahratta - - - - - -	219,100	272,500
TOTAL - - -	2,990,600	3,430,000

(*a*) These are advances by the Government ; the present arrangement in respect of the extensions of these two railways being that the funds for expenditure in India are advanced by the Government.

82. The following is a statement of the principal items :—

Burma.—The Mandalay-Kunlon extension, of which 80 miles will be nearly ready at end of 1897–98 ; also additional rolling-stock.

Bengal-Nagpur.—Construction is proceeding on the three branches, Sini to Midnapur, Midnapur to Cuttack, and Midnapur to Howrah. The bridging is very heavy.

Indian Midland.—The Sagar-Katni branch, to be opened by end of 1897–98.

(*c*) THIRD CATEGORY.

83. The expenditure under the third category is as follows :—

	Revised, 1896–97.	Budget, 1897–98.
Companies' Expenditure outside the Government Accounts, and Branch Line Companies :	Rx.	R
Bengal and North Western - - -	612,700	806,000
South Behar - - - - - -	110,000	326,500
Southern Punjab - - - - -	1,295,200	724,600
Tapti Valley - - - - - -	94,000	850,000
Smaller branch lines - - - - -	358,300	576,700
TOTAL - - -	2,470,200	3,283,800

84. The following are the principal items of expenditure :—

Bengal and North Western.—The Ganges-Gogra Doab branch lines, and other minor extensions, of which 250 miles will be opened by end of 1897–98. The Gogra Bridge at Bahramghat, also to be opened by end of 1897–98. The Gogra Bridge at Tartipur only commenced.

South Behar.—Approaching completion by end of 1897-98.

South Punjab.—Expected to be opened about October or November 1897.

Tapti Valley.—Commenced.

REMITTANCE AND DEBT.

85. The following account shows in a shortened form the requirements of the Secretary of State; the figures are drawn up so as to show separately the transactions on account of Government and the transactions arising out of the operations of railway companies :—

	Revised, 1896-97.	Budget, 1897-98.
Requirements on Government Account :	£.	£.
Excess of expenditure on Revenue Account	15,561,200	15,915,500
Expenditure not charged to revenue -	1,095,500	1,083,100
Net payments on remittance accounts, &c.	44,100	226,600
Total Requirements - - -	16,700,800	17,225,200
Transactions of Railway Companies :		
Net receipts on account of capital - -	3,877,200	2,455,500
Payment for stores, &c. - - -	2,136,700	3,273,700
Net receipts - - - - -	1,740,500	—
Net outgoings - - - -	—	818,200
Net Funds required - -	14,960,300	18,043,400

86. The following figures show the manner in which the above requirements have been or are to be financed :—

	Revised, 1896-97.	Budget, 1897-98.
	£.	£.
By Council bills - - - - -	15,300,000	13,000,000
By addition to Permanent Debt - -	81,200	3,500,000
Temporary Debt :		
Reduction - - - - - -	—1,000,000	—
Addition - - - - - -	—	1,000,000
By reduction of cash balance - - -	579,100	543,400
	14,960,300	18,043,400

87. It will be seen that railway companies took advantage of cheap money to raise a large amount of capital during 1896-97, and the amount provided for in the Budget was enhanced by a new arrangement made in the course of the year for the transfer of the Burma railways to a company. These receipts on capital account enabled the Secretary of State not only to meet with ease the reduction imposed

on

on his drawings and alluded to in paragraph 33 above, but also to pay off a million of temporary debt without renewing it.

The transaction in permanent debt in 1896–97 was the raising of a new loan, India 2½ per cent. stock 2,400,000*l.*, which was used to pay off debentures nearly equal in amount.

88. For next year the requirements of the Secretary of State are considerably enhanced, as he has now to meet heavy charges of the railway companies against the capital accumulated in 1896–97. On the other hand, our means of meeting his drawings in India are greatly limited, both by reason of the adverse circumstances of the year in respect of famine expenditure and by reason of the heavy railway programme of expenditure. This last, as already fully explained, includes not only an unusually large amount of railway construction on Government account, but also heavy outlay of railway companies, partly against these same receipts of capital in last year's account.

89. We intend to supplement our resources in India by borrowing four crores of rupees; but, as will be seen from the Ways and Means Account in India in Part II. of this Statement, we estimate that we will not be able, even with this, to meet more than 13,000,000*l.* of drawings during the year.

90. The Secretary of State is therefore obliged to have recourse to borrowing, and his present intention is to raise 3,500,000*l.* of permanent debt, besides restoring the 1,000,000*l.* by which in the current year he has diminished the temporary debt.

91. These announcements of the amounts of Council Bill drawings and of debt to be raised are made with the usual reservation of entire liberty to the Secretary of State to vary the amounts as he may find occasion.

92. Before passing from this subject, I note that the year 1896–97 is remarkable as being the first in which the Government of India have secured for themselves the full benefit of the general reduction in the rate of interest. For the first time India sterling stock has been raised in England at 2½ per cent., and Indian rupee debt has been raised at 3 per cent., a premium having been obtained in each case. Moreover, we have also, in the contract for the transfer of the Burma Railways to a company, been able for the first time to make the arrangements on the basis of a 2½ per cent. guarantee.

CONCLUSION.

93. I concluded my statement last year with expressing the view that our financial prospects were "now very much more hopeful," although I "refrained from any prophecies as to the future." Our prospects are for the present marred by the occurrence of widespread famine, and of pestilence which is as yet confined within a narrow area. I can only now express the hope that a year hence these disasters will have passed away; and that, as the deficits I am now obliged to declare are certainly much smaller than the losses due to famine and scarcity, we shall, when relieved from these misfortunes, resume that financial progress which they have interrupted.

TABLE A.

PROVINCIAL EXPENDITURE ACCOUNT, 1892.

(In thousands of rupees.)

	Central Provinces.	Lower Burma.	Assam.	Bengal.	North-Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
HEADS OF EXPENDITURE.									
3.—Land Revenue	11,62	20,20	9,22	33,39	44,56	23,24	45,71	54,38	2,42,32
9.—Customs	–	1,66	–	5,48	–	–	1,62	–	8,76
15.—Post Office	59	50	1	–	–	1,02	1,07	1,05	4,24
18.—General Administration	3,90	6,80	2,57	15,42	12,56	9,78	9,44	13,61	74,08
19A.—Courts of Law	8,41	12,47	5,50	84,27	44,63	29,05	44,03	44,02	2,72,38
19B.—Jails	6,02	8,49	1,10	21,50	13,00	8,92	8,60	6,29	73,92
20.—Police	13,93	28,07	11,94	57,92	39,04	37,08	40,26	50,01	2,78,25
21.—Marine	–	2,72	1,02	8,68	–	–	19	41	13,02
22.—Education	4,67	3,09	1,87	25,25	4,24	7,75	14,29	16,50	77,66
24.—Medical	2,73	2,29	1,80	15,78	6,39	5,55	10,77	13,25	58,56
25.—Political	18	–	81	22	7	–	75	3,43	5,46
26.—Scientific and other Minor Departments.	49	76	7	3,07	1,69	83	3,32	1,98	12,21
29.—Superannuation, &c.	2,30	2,44	72	15,75	17,00	8,55	14,00	15,55	76,31
30.—Stationery and Printing	1,78	4,39	61	9,06	5,26	4,13	7,48	6,44	39,15
32.—Miscellaneous	45	38	44	2,12	1,28	44	1,35	2,27	8,73
45.—Civil Works	15,96	20,87	11,03	31,44	29,50	26,78	20,10	30,78	1,86,46
Contributions from Provincial to Local.	60	1	1,90	6,45	24,46	—4,33	74	4,65	34,48
Miscellaneous Adjustments	—19	—78	—41	82	76	11	32	27	90
Lump Additions	–	2,00	–	50	3,00	–	1,00	2,00	8,50
TOTAL	73,44	1,16,36	50,20	3,37,12	2,47,44	1,58,90	2,25,04	2,66,89	14,75,39
RECEIPTS UNDER EXPENDITURE HEADS.									
VII.—Customs	–	25	–	56	–	–	30	–	1,11
XIII.—Post Office	10	–	–	–	–	2	–	–	12
XVIA.—Courts of Law	1,32	2,74	79	8,50	5,15	4,70	5,70	4,00	32,90
XVIB.—Jails	3,52	2,82	58	10,05	3,93	2,18	1,90	2,15	27,13
XVII.—Police	27	14	68	4,66	3,69	6,38	4,20	3.55	23,57
XVIII.—Marine	–	2,44	–	8,93	–	–	3	65	12,05
XIX.—Education	1,38	14	44	5,70	70	14	1,37	2,73	12,60
XX.—Medical	3	17	1	1,50	7	23	73	1,12	3,86
XXI.—Scientific and other Minor Departments.	11	2	–	1,54	1,02	37	1,49	34	4,89
XXII.—Superannuation, &c.	8	2	2	68	31	61	33	2,34	4,39
XXIII.—Stationery and Printing	22	15	2	1,36	56	75	1,06	62	4,74
XXV.—Miscellaneous	45	35	43	7,97	2,36	1,38	1,38	59	14,91
XXXII.—Civil Works	63	66	47	4.00	8,11	3,68	1.07	7,85	26,47
TOTAL	8,11	9,90	3,44	55,45	25,90	20,44	19,56	25,94	1,68,74
Net Expenditure	65,33	1,06,46	46,76	2,81,67	2,21,54	1,38,46	2,05,48	2,40,95	13,06,65

TABLE B.

PROVINCIAL EXPENDITURE ACCOUNT, 1897.

(In thousands of rupees.)

	Central Provinces.	Lower Burma.	Assam.	Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	Total excluding Upper Burma.	Upper Burma.	Total including Upper Burma.
HEADS OF EXPENDITURE.											
3.—Land Revenue -	11,81	22,97	9,59	38,31	42,67	26,78	48,40	54,62	2,55,15	20,36	2,75,51
9.—Customs - - -	–	2,41	–	8,07	–	–	2,46	–	12,94	–	12,94
15.—Post Office - -	73	50	2	10	–	1,63	1,02	1,03	5,03	–	5,03
18.—General Administration.	5,01	7,55	2,89	17,22	13,60	10,47	9,93	14,61	81,28	2,18	83,46
19A.—Courts of Law -	9,99	15,28	6,15	89,31	52,56	32,96	46,92	46,68	2,99,85	8,91	3,08,76
19B.—Jails - - -	5,70	9,69	1,02	22,06	15,70	9,54	10,51	6,73	80,95	3,05	84,00
20.—Police - - -	14,63	31,24	15,47	61,00	50,07	39,48	46,04	53,20	3,11,13	58,45	3,69,58
21.—Marine - - -	–	3,22	80	8,86	–	–	40	41	13,69	4,00	17,69
22.—Education - -	3,90	4,47	1,99	26,76	7,01	7,71	16,79	18,21	86,84	1,93	88,77
24.—Medical - - -	3,24	2,66	2,36	18,66	7,64	6,25	13,07	16,00	69,88	2,00	71,88
25.—Political - - -	44	–	1,73	22	6	–	84	3,65	6,94	–	6,94
26.—Scientific and other Minor Departments.	60	55	11	4,51	1,83	1,15	4,20	2,25	15,20	48	15,68
29.—Superannuation, &c.	2,90	3,35	1,00	19,74	20,70	9,99	15,52	18,44	91,64	75	92,39
30.—Stationery and Printing.	1,93	5,60	1,00	11,22	6,63	4,85	9,00	8,10	48,33	25	48,58
32.—Miscellaneous - -	74	62	62	2,52	1,14	65	1,52	2,08	9,89	23	10,12
45.—Civil Works - -	15,00	23,47	14,35	32,44	27,80	27,30	22,00	31,66	1,94,02	30,00	2,24,02
Contributions from Provincial to Local.	1,00	—1,59	1,90	6,45	24,65	—6,30	79	4,65	31,55	–	31,55
Miscellaneous Adjustments.	–	–	–	20	16	33	•–	–	69	—71	—2
Lump Addition -	–	–	1,14	–	..	1,27	1,50	–	3,91	–	3,91
TOTAL - - -	77,62	1,31,99	62,14	3,67,65	2,72,22	1,74,06	2,50,91	2,82,32	16,18,91	1,31,88	17,50,79
RECEIPTS UNDER EXPENDITURE HEADS.											
VII.—Customs - -	–	20	–	91	–	–	73	–	1,84	–	1,84
XIII.—Post Office -	14	–	–	5	–	11	–	–	30	–	30
XVIA.—Courts of Law	1,40	3,22	96	8,80	5,66	4,00	7,40	4,19	35,63	1,43	37,06
XVIB.—Jails - -	2,68	2,50	65	8,58	5,05	1,91	4,26	1,86	27,49	90	28,39
XVII.—Police - -	17	55	1,96	1,97	4,43	6,53	4,41	4,19	24,21	1,56	25,77
XVIII.—Marine - -	–	2,80	–	9,35	–	–	–	64	12,79	2	12,81
XIX.—Education -	34	15	46	5,69	99	33	1,93	3,15	13,04	2	13,06
XX.—Medical - -	5	16	2	2,05	29	28	1,22	1,34	5,41	1	5,42
XXI.—Scientific Departments.	12	1	–	2,45	1,16	40	2,13	24	6,51	4	6,55
XXII.—Superannuation, &c.	12	12	4	68	55	41	47	2,31	4,70	6	4,76
XXIII.—Stationery and Printing.	28	21	2	1,32	1,09	77	1,38	70	5,77	–	5,77
XXV.—Miscellaneous -	71	56	87	9,25	2,22	1,39	1,54	56	17,10	8	17,18
XXXII.—Civil Works -	54	90	67	4,00	7,91	4,20	1,58	8,73	28,53	46	28,99
TOTAL - - -	6,55	11,38	5.65	55,10	29,35	20,33	27,05	27,91	1,83,32	4,58	1,87,90
NET EXPENDITURE -	71,07	1,20,61	56,49	3,12,55	2,42,87	1,53,73	2,23,86	2,54,41	14,35,59	1,27,30	15,62,89

PART II.

DETAILS OF THE ACCOUNTS AND ESTIMATES.

SECTION I.—THE ACCOUNTS OF 1895-96.

Accounts of 1895-96.

94. The Revised Estimates of 1895-96 anticipated a surplus of Rx. 951,400: the actual surplus of the year in the closed Accounts is considerably higher, being Rx. 1,533,998.

Explanations of the variations under the several heads of the Account figures from those of the Budget and Revised Estimates will be found in the Appropriation Report published in the "Gazette of India" of the 13th instant. The following is a general comparison of the Revised Estimates with the Accounts of the year:—

——	Revised Estimate.	Accounts.	Accounts, better.	Accounts, worse.
REVENUE.				
India - - - - - Rx.	97,509,000	97,977,005	468,005	—
England - - - - - £.	210,300	223,417	13,117	—
Exchange - - - - - Rx.	158,600	169,745	11,145	—
TOTAL - - - Rx.	97,877,900	98,370,167	492,267	—
EXPENDITURE.				
India:				
Imperial, Provincial, and Local, Rx.	69,003,900	68,998,722	5,178	—
Adjustment of Provincial and Local Surplus or Deficit - Rx.	+383,000	+379,109	3,891	—
NET - - - Rx.	69,386,900	69,377,831	9,069	—
England - - - - - £.	15,701,000	15,603,370	97,630	—
Exchange - - - - - Rx.	11,838,600	11,854,968	—	16,368
TOTAL - - - Rx.	96,926,500	96,836,169	90,331	—
SURPLUS - - Rx.	951,400	1,533,998	582,598	—

1895-96. General Results.

95. The Expenditure in India fell short of the amount taken in the Revised Estimate by Rx. 5,178, and the Revenue in India exceeded that taken in the Revised Estimate by Rx. 468,005. The division of these two improvements between Imperial and Provincial was—

——	Imperial.	Provincial and Local.
	Rx.	Rx.
Increase in Revenue - - - - -	422,307	45,698
Saving in Expenditure - - - - -	54,767	—
Excess in Expenditure - - - -	—	49,589

the improvement in the Imperial section being Rx. 477,074. The average rate of exchange for the year, 13·638*d.* the rupee, was slightly lower than that taken in the Revised Estimates, 13·68*d.* the rupee, the sales of Council Bills in the latter part of March—when the selling rates were above the average of the year—having been less than expected. The Revenue in England, including Exchange, exceeded

exceeded the Revised Estimate by Rx. 24,262, while there was a saving in Expenditure in England, including Exchange, of Rx. 81,262. The two last-mentioned amounts, being both on the Imperial section of the Account, added to the improvement in India, Rx. 477,074, make up the total improvement of Rx. 582,598 in the Accounts as compared with the Revised Estimate.

1895-96. Revenue in India.

96. The most important items of the increase in Revenue in India were—

	Rx.
State Railways	183,594

The Railway traffic was heavy in March last.

	Rx.
Customs	127,078

The exports of rice and the imports of silver and cotton goods were large in March.

	Rx.
Salt	66,845

This occurred chiefly in Madras, the preference for payment of the duty in cash instead of taking credit on security having continued throughout March.

	Rx.
Opium	66,822

There was a slight revival in the Malwa Opium export trade in March last.

Expenditure in India.

97. The variations in the Expenditure in India are unimportant, except increases of Rx. 113,264 under 14.—Interest (due to two years' interest instead of one year's only on one of the Service Funds having been charged in 1895–96 : there will consequently be no charge in 1896–97) and of Rx. 54,778 under Military Works, and an over-estimate of Rx. 88,088 under Army. Under other heads the Expenditure was, as a rule, less than in the Revised Estimate.

Revenue and Expenditure in England.

98. The Revenue in England exceeded the Revised Estimate by 13,117*l.*, the increase being in Army Receipts. The Expenditure in England fell short of the Revised Estimate by 97,630*l.*, the decrease occurring mainly in the purchase of stores.

Expenditure not charged to Revenue

99. The Expenditure not charged to Revenue amounted to Rx. 4,087,194, as compared with Rx. 4,327,200 entered in the Revised Estimate : the progress of expenditure in March last was not so great as was expected.

Section II.—The Revised Estimates of 1896–97.

1896-97. Statement of the gross figures.

100. The following is a general comparison of the Budget Estimates with the Revised Estimates of 1896–97 :—

——	Budget.	Revised.	Revised, better.	Revised, worse.
Revenue.				
India - - - - - Rx.	97,316,800	93,273,600	—	4,043,200
England - - - - - £.	174,100	319,400	145,300	—
Exchange - - - - - Rx.	129,800	210,800	81,000	—
Total - - Rx.	97,620,700	93,803,800	—	3,816,900
Expenditure.				
India :				
Imperial, Provincial, and Local Rx.	70,274,900	70,657,400	—	382,500
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—886,400	—1,228,500	342,100	—
Net - - Rx.	69,388,500	69,428,900	—	40,400
England - - - - - £.	15,909,400	15,880,600	28,800	—
Exchange - - - - - Rx.	11,859,700	10,481,200	1,378,500	—
Total - - Rx.	97,157,600	95,790,700	1,366,900	—
Surplus + Deficit— - Rx.	+463,100	—1,986,900	—	2,450,000

1896-97.
Main features.

101. Famine in nearly all Provinces and plague in one Province are the governing factors of the year. The south-west monsoon rains ceased much earlier than usual, and a widespread failure of crops resulted. Though the winter rains have since been generally favourable, the distress is such that expenditure on famine relief has been necessary on a very heavy scale in the North-Western Provinces and Oudh, the Central Provinces, Bombay, and Bengal, and to a smaller extent in the Punjab, Madras, and Upper Burma; and in all the provinces named, except Bengal (in which the Land Revenue, being permanently settled and levied at a lower rate than in other Provinces, is hardly affected by scarcity), large remissions or suspensions of Land Revenue and Provincial Rates have been made. The Railway Revenue has also been much reduced, a result largely due to the failure of crops; the salt and other heads of revenue have also been affected by the scarcity. In Bombay the plague has been added to the famine, and has seriously damaged both the trade and the Government revenues. Fortunately it has not yet spread to other Provinces. There has, moreover, been a heavy loss of revenue under opium. On the other hand, the rate of exchange has risen during the year, the average rate being expected to be nearly 14·46*d.* the rupee, as compared with the rate of 13¼*d.* taken in the Budget Estimate; this has somewhat mitigated the effect, on the finances of the Government, of the calamities of the year. The final result is a deficit of about two crores.

General Results.

102. The total revenue in India is expected to fall short of the Budget Estimate by no less than Rx. 4,043,200, and the total expenditure in India to exceed the Budget Estimate by Rx. 382,500. In England the expenditure is slightly less than the Budget Estimate, and the receipts are higher, but the important feature in connection with the sterling figures is again, as it was last year, the large saving secured by the rise in the rate of exchange.

Decreases of Revenue in India.

103. The falling off in Land Revenue, including that due to Irrigation, is Rx. 2,432,100, and in Provincial Rates, Rx. 131,800. The losses in the

Land Revenue.

Provinces affected by famine are—

	Land Revenue.	Provincial Rates.
	Rx.	Rx.
North-Western Provinces and Oudh - -	1,199,700	104,000
Bombay - - - - - - - -	418,800	33,200
Madras - - - - - - - -	394,000	—
Central Provinces - - - - -	204,600	5,000
Upper Burma - - - - - - -	162,000	—
Punjab - - - - - - - -	94,900	16,300

In Assam, also, the Revenue under these heads is expected to be slightly less than the Budget Estimate, but that reduction is not in any way connected with famine. In Bengal and Lower Burma the Budget Estimates will be more than realised.

Railway Revenue.

104. The loss in Railway Revenue is—

	Rx.
State Railways, Gross Receipts - - - - - - -	797,000
Guaranteed Railways, Net Receipts - - - - - -	623,000

It is probably not incorrect to attribute the whole of this loss also to the plague in Bombay and Karachi, which has paralysed business in those cities, and to the scarcity, which being very widespread does not lead to traffic from one part of India to another, as scarcity in one Province combined with plenty in another does. Indeed, the loss due to these causes is probably greater, as the traffic receipts would probably, had these calamities not come upon the country, have exceeded the Budget Estimates, which were cautiously framed, the improvement in railway earnings in 1895-96 having been specially great.

The

The following list of the principal diminutions in gross receipts will show that the loss in Railway Revenue has been nearly as widespread as that in Land Revenue :— 1896-97.

	Rx.
North-Western Railway	310,000
Rajputana-Malwa Railway	380,000
Oudh and Rohilkhand Railway	170,000
Bengal-Nagpur Railway	80,000
East Indian Railway	20,100
South Indian Railway	15,000
Southern Mahratta Railway	10,000
Great Indian Peninsula Railway	350,000
Bombay, Baroda, and Central India Railway	260,000
Madras Railway	50,000

As an exception to the general rule of the year, there have been increases on some Railways, the only ones of importance being —

	Rx.
Eastern Bengal Railway	180,000
Burma Railway	65,000

These are due to specially good crops, in the first case, of jute, and in the second, of rice.

105. The loss in opium revenue amounts to Rx. 508,600. **Opium Revenue.**

The quantity of Bengal opium sold is the same as was taken in the Budget Estimate. But the average price realised has been only R1,243-10-10, instead of R1,300 a chest. This has reduced the receipts in Bengal by Rx. 216,300.

The quantity of Malwa opium exported has declined very seriously, with the result that the receipts in Bombay have fallen by Rx. 282,800.

106. The reduction in Salt Revenue amounts to Rx. 261,800 ; it is distributed over all the provinces in which Salt Revenue is realised, except Bengal. In Burma the loss is Rx. 24,200 ; the salt administration in that province is not yet satisfactory. The diminution in Madras of Rx. 110,100 is believed to represent mainly a postponement of payment of the duty from this year to next, the low price of Government paper having induced the dealers to avail themselves of the six months' credit which is allowed if security is pledged, but may also be partly due to the scarcity. In Bombay the loss of Rx. 105,000 is attributed to the scarcity and the paralysis of business caused by the plague. The smaller reduction of Rx. 30,000 in the Northern India Salt Department is probably also due in large part to the scarcity. **Salt Revenue.**

107. The Excise Revenue will fall short of the Budget Estimate by Rx. 131,500. This loss also is attributable to the famine. The loss in the North-Western Provinces and Oudh is Rx. 125,000, in Bombay Rx. 60,000, in the Central Provinces Rx. 40,000, and in the Punjab Rx. 1,700. On the other hand, there are increases of Rx. 35,000 in Madras, Rx. 32,300 in Burma, and Rx. 25,000 in Bengal. **Excise Revenue.**

108. In partial reduction of the heavy losses above set forth there have been increases under a few heads. **Increases of Revenue in India.**

109. The most important of these is an increase of Rx. 352,500 in the direct receipts of Major Irrigation Works: of this, Rx. 190,300 occur in the Punjab and Rx. 145,500 in the North-Western Provinces and Oudh. This small set-off against the effects of the famine on other revenues is due to the same cause as the famine : the failure of rain has induced the cultivators to make greater use of irrigation. In paragraph 118 of the Financial Statement for 1896–97 it was explained that the Budget Estimate under this head was abnormally high, and had been subjected to careful scrutiny before being accepted. The further failure of the rains which was not anticipated in the Budget Estimate has raised the receipts still higher. In Bengal, also, the receipts from the water-rate on the Orissa and Sone Canals and from the navigation dues on the Orissa and Hidgellee tidal canals have increased, and the Revised Estimate in Bengal exceeds the Budget Estimate by Rx. 19,000. **Irrigation Revenue.**

110. The receipts under Mint exceed the Budget Estimate by Rx. 103,800. This is indirectly connected with the scarcity ; the famine relief works lead to **Mint Receipts.**

1896-97.

a very large absorption of copper coin : there is a gain on all copper coins issued, the nominal value of the pieces being greater than the cost of the copper and of manufacture. This gain is expected this year to reach the unprecedented amount of Rx. 122,000. The Calcutta Mint has been unusually busy in supplying the demand for copper, and both Mints are manufacturing in addition a specially large quantity of small silver coins, which are also required at the relief works.

Customs Revenue.

111. The Customs Revenue is expected to exceed the Budget Estimate by Rx. 34,800. There is an increase of Rx. 100,200 in the duty on silver, the imports of which have been higher than it was thought safe to take in the Estimate. On the other hand, the export duty on rice is expected to yield less than the Budget Estimate by Rx. 80,700, as much of the rice which would have been exported has been sent to the famine-stricken districts. On other articles there is no difference of importance between the Budget and Revised Estimates.

Interest Receipts.

112. In the Interest Receipts there was a solid gain of Rx. 124,700 from the premium at which the 3 per cent. loan of four crores was issued. The increase under the head is, however, reduced to Rx. 79,300, mainly by the remission of Rx. 40,000 of interest due by the Calcutta Port Trust.

XXIV. Exchange.

113. There is an increase of Rx. 61,400 under the head XXIV.—Exchange. The difficulties in the way of making accurate estimates under this head have been explained in previous Financial Statements.

Increases of Expenditure in India.

Famine Relief.

114. The Expenditure in India like the Revenue has been overshadowed by the famine. When the Financial Statement issued, there was fear of scarcity only in the North-Western Provinces and Oudh, to meet which a provision of Rx. 70,000 was expected to be sufficient. The failure of the monsoon has, however, necessitated expenditure in every Province, except Lower Burma and Assam. The amounts required for this expenditure up to the end of this month, according to the estimates of the Local Governments, are:—

	Rx.
North-Western Provinces and Oudh	1,100,000
Bengal	359,200
Central Provinces	335,000
Bombay	348,000
Punjab	115,900
Madras	80,700
Upper Burma	58,100
Total	2,396,900

The Government of India have given the Local Governments full liberty to spend up to those amounts, or even beyond them, if necessary, for the relief of distress. But there is no doubt that the Local Governments (except those of the North-Western Provinces and Burma) have overestimated the probable expenditure. We know the total expenditure and the number of persons relieved up to the end of January, and also the number of persons relieved in February. On consideration of these data we believe that the total expenditure this year will not exceed Rx. 1,950,000, and we have therefore entered that amount in the Revised Estimate, distributing it as follows :—

	Rx.
North-Western Provinces and Oudh	1,100,000
Bengal	230,000
Central Provinces	215,000
Bombay	251,000
Punjab	55,900
Madras	40,000
Upper Burma	58,100
Total	1,950,000

Of course, this reduction of the figures entered in the Revised Estimate will have no effect on the actual expenditure. In addition to the amounts above stated

stated for the several Provinces, there is a small expenditure of Rx. 1,200 on the salaries of officers supervising relief operations in Native States, and of 8,700*l.* in England on the purchase of seeds. 1896-...

115. Under the Provincial Settlements all expenditure on famine relief, which is not borne by local funds, is in the first place charged in the Provincial column. But, when the expenditure is of the magnitude which it has reached this year, and is expected to reach next year, it is much more than Provincial Balances can meet, and the charge is necessarily borne by Imperial also. The principle to be followed is stated in paragraph 67 above, and applying that principle the Government of India have, after consideration of the financial position of each Province, distributed the expenditure on Famine Relief in 1896-97 as follows :— Distribution of Famine Relief Expenditure.

	Imperial.	Provincial.	Local.
	Rx.	Rx.	Rx.
Central Provinces	205,000	—	10,000
Upper Burma	57,300	—	800
Bengal	—	185,000	45,000
North-Western Provinces and Oudh	1,100,000	—	—
Punjab	—	23,100	32,800
Madras	—	32,500	7,500
Bombay	189,900	61,100	—
	1,552,200	301,700	96,100

116. In addition to the direct expenditure on Famine Relief, the scarcity has unavoidably caused increases under a large number of the ordinary heads. Government servants on low pay have had to receive compensation for the dearness of food, and the rise in prices has increased the cost of supplies purchased by various Departments. But, when it was seen in October last that a large famine expenditure would be necessary, orders were issued to restrict as much as possible all ordinary expenditure. The result has been that, notwithstanding the increased expenditure caused by the rise in prices under nearly all the ordinary heads of expenditure, there have been savings from the Budget Estimates. The only heads under which there will be excesses of importance over the Budget Estimates are:— Other Increases of Expenditure in India.

	Rx.
Jails	99,100
Interest on Debt	100,400
Major Irrigation Works: Working Expenses	55,400

117. The increase in Jail expenditure is due entirely to the great cost of rations for the prison population. In Burma the expenditure this year is increased, to the relief of next year, by the purchase of considerable stocks of provisions in anticipation of a further rise in prices. Jail Expenditure.

118. Of the excess under Interest, the fact that the Railway Capital Expenditure has not been so high as expected in March last, and that consequently the transfer from Ordinary to Railway Interest is reduced, accounts for Rx. 61,700. The remainder is due to the excess interest payments in connection with the conversion of the $3\frac{1}{2}$ per cent. loan of 1893–94 to 3 per cent., and to the payments of arrears of interest on expired loans having been greater than expected. Interest Charges.

119. The excess in the working expenses of Major Irrigation Works has been caused by the necessity of repairing damages caused by floods to the Kistna, the Godavery, and Cauvery Delta systems, and the Srivaikuntam Anicut system in Madras, at a cost of Rx. 29,000, and of repairs, costing Rx. 22,300, to the Western Jumna, Bari Doab, and Sidnai Canals in the Punjab, rendered necessary by increased irrigation. Irrigation Expenditure.

 120. The

1896-97. Decreases of Expenditure in India.

120. The important decreases of expenditure in India are—

	Rx.
Land Revenue	81,600
Opium	90,000
Forest	50,300
Interest on other Obligations	51,400
Education	87,200
State Railways	185,800
Guaranteed Railways—Surplus Profits, &c.	145,000
Military Works	93,300
Army	274,400

Land Revenue Expenditure.

121. The Punjab is the only Province in which the Land Revenue expenditure will exceed the Budget Estimate. The excess is Rx. 12,200, and is due to payment of compensation for dearness of provisions, to additional expenditure on the survey and demarcation of holdings irrigated by the new Chenab Canal, and to the savings usually secured in the salaries of the officers present on duty in the Province in connection with leave having been somewhat over-estimated in the Budget Estimates.

In all other Provinces there are considerable savings from the Budget Estimates. The Provincial Governments usually make more liberal provision than is found to be necessary.

Forest Expenditure.

122. The Local Governments usually estimate for a larger expenditure on Forests than is required.

Opium Expenditure.

123. In paragraph 122 of the Financial Statement for 1896–97, it was explained that the Estimate of Opium expenditure was taken somewhat lower than usual in consequence of the information as to the crop then in the ground. The crop proved to be still smaller, and the payments to cultivators for opium will accordingly be less by Rx. 90,000.

Interest on other obligations.

124. The decrease in the interest on other obligations is due to the payment in 1895–96 of interest payable in 1896–97, mentioned in paragraph 97, in consequence of which there will be no payment this year.

Education Expenditure.

125. The decrease under Education is due to the Local Governments having, as usual, made more liberal provision in the Budget Estimates than was required.

Railway Expenditure.

126. The working expenses of State Railways were reduced by the falling off in traffic, which caused the larger loss in receipts.

Surplus profits.

127. The decrease in the payments of Surplus Profits to Guaranteed Railways is a consequence of the decrease in the earnings of the railways.

Military Works Expenditure.

128. The Military Works Department was unable to spend the whole of the grant placed at its disposal.

Army Expenditure.

129. Under the head Army the rise in the price of food for men and animals is expected to cause in the current year an excess over the Budget Estimate of Rx. 196,000; and the higher strength of the Army, officers and men, an excess of Rx. 46,000. On the other hand, the rise in the rate of exchange has caused a saving of Rx. 80,800 in Exchange Compensation Allowance, and of Rx. 24,000 in the cost of Australian remounts. The expenditure on mobilisation arrangements will be less than the Estimate by Rx. 120,000, about half of which is due to the expenditure being incurred in England, so that the provision in the India Estimates was unnecessary, and the other half to its having been found impossible to carry out the intended work; and savings under ordinary expenditure, to the extent of Rx. 291,600, have been secured, in some cases by postponing expenditure which it was intended to incur, but in most simply because the Budget grants had been fixed on a more liberal scale than was required.

Exchange Compensation Allowances.

130. One cause of saving which affects almost all the expenditure heads in India is the rise in the rate of exchange above that assumed for the calculation of the cost of Exchange Compensation Allowances. The average rate taken for this purpose in the Budget Estimate was $13\frac{3}{4}d.$ the rupee; the four quarterly rates with reference to which the Exchange Compensation Allowances

Allowances have been paid are: $14\frac{7}{32}d.$, $14\frac{3}{32}d.$, $14\frac{5}{32}d.$, and $14\frac{25}{32}d.$, yielding an average for the whole year of $14\frac{5}{16}d.$ The consequent saving amounts to Rx. 207,700. 1896-97.

131. The Sterling Receipts are expected to exceed the Budget Estimate by 145,300*l.* The three important items composing this increase are: the premium of 68,900*l.* realised on the issue of $2\frac{1}{2}$ per cent. India Stock; 27,500*l.* interest on temporary investments of the cash balance, the rates of interest realised being higher; and 34,100*l.* under Army Receipts, mainly in connection with the Indian Troop Service. Revenue in England.

132. The Sterling Expenditure is expected to be less than the Budget Estimate by 28,800*l.* There is a saving of 137,500*l.* under Army (of which 40,600*l.* is a transfer to the head Special Defences, and the remainder occurs chiefly under Stores and Troop Service), and of 25,600*l.* under Interest (the Secretary of State having made good progress with the sale of Council Bills in the early part of the year, was able to postpone the replacement of 1,000,000*l.* India Bills discharged in May, and to lessen his temporary borrowing from the Bank of England). These savings were largely counterbalanced by a number of excesses under other heads. Expenditure in England.

133. The charge for Exchange on net Sterling Expenditure is less than in the Budget Estimate by Rx. 1,459,500. The net Sterling Expenditure is less by 174,100*l.*, and the exchange on this difference at $13\frac{3}{4}d.$ the rupee, the rate of the Budget Estimate, is Rx. 129,800, which is the saving in exchange due to the decrease in the sterling payments. The direct saving in exchange on sterling transactions from the rise in the rate of exchange from $13\frac{3}{4}d.$ to 14·46*d.* the rupee, is therefore Rx. 1,329,700. Exchange.

SECTION III.—BUDGET ESTIMATE OF 1897-98.

134. The following is a general comparison of the Budget Estimates of 1897–98 with those of 1896–97: — 1897-98. Statement of the gross figures.

	1896-97.	1897-98.	1897-98, better.	1897-98, worse.
REVENUE.				
India - - - - - Rx.	97,316,800	95,389,600	—	1,927,200
England - - - - - £.	174,100	173,000	—	1,100
Exchange - - - - Rx.	129,800	114,200	—	15,600
TOTAL - - - Rx.	97,620,700	95,676,800	—	1,943,900
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	70,274,900	72,623,900	—	2,349,000
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—886,400	—1,190,000	303,600	—
Net - - - Rx.	69,388,500	71,433,900	—	2,045,400
England - - - - - £.	15,909,400	16,088,500	—	179,100
Exchange - - - - Rx.	11,859,700	10,618,400	1,241,300	—
TOTAL - - Rx.	97,157,600	98,140,800	—	983,200
SURPLUS - - - Rx.	+463,100	—2,464,000	—	2,927,100

135. The

1897-98. Main features.

135. The famine continues in 1897–98 also to exert its malignant influence and to dominate the finances of India.

The expenditure on Famine Relief will be higher than in 1896–97: the loss of Land Revenue and of Railway Revenue, though diminished, will still be considerable; the revenue under some other heads will be diminished, and the expenditure under many ordinary heads will be increased, as indirect results of the scarcity.

The present low price of Bengal opium and the stagnation of the export trade in Malwa opium involve a heavy loss of Opium Revenue.

On the other hand, the rise in the rate of exchange secures a large saving, and there is a considerable reduction in military expenditure.

The final result is a deficit of nearly two-and-a-half crores of rupees.

Decreases of Revenue in India

Land Revenue and Provincial Rates.

136. The Governments of the North-Western Provinces and Oudh, the Central Provinces, the Punjab, and Burma, all consider that remissions or suspensions of Land Revenue will be necessary next year because of the famine, and the Estimates are less than the Budget Estimates of 1896–97 by the following amounts:—

	Land Revenue, including that due to Irrigation.	Provincial Rates.
	Rx.	Rx.
North-Western Provinces and Oudh	186,400	32,600
Central Provinces	264,600	—
Upper Burma	169,600	—
Punjab	95,200	17,700

In the other Provinces increases are expected to accrue in ordinary course, and will counterbalance to some extent the above losses: the net reduction in Land Revenue, including that due to Irrigation, is Rx. 436,500, and in Provincial Rates Rx. 48,100.

Railway Revenue.

137. As the effects of the famine and plague on railway traffic are expected to continue next year, though not to so damaging an extent as this year, the Railway Receipts are taken lower than in the Budget Estimate for 1896–97 by—

	Rx.
State Railways—Gross Receipts	298,300
Guaranteed Railways—Net Receipts	603,000

Excise Revenue.

138. The Excise Revenue is taken at an amount less by Rx. 65,600 than the Budget Estimate of 1896–97. The reductions are—

	Rx.
Central Provinces	83,800
North-Western Provinces and Oudh	65,000
Bombay	60,000
Punjab	700

They are all attributable to the famine, or in Bombay to the famine and plague combined. Other Provinces estimate for the usual increases in Excise Revenue, that is to say, as a rule, estimate that the Revenue next year will be at least as high as the Revised Estimate of this year, and the increases in other Provinces (the highest being in Madras of Rx. 85,000) counterbalance a very large part of the loss above shown.

Opium Revenue.

139. The only other head of Revenue in India under which there is an important decrease is Opium; and there the loss is very heavy, amounting to Rx. 1,079,100, as compared with the Budget Estimate of 1896–97.

The price of Bengal opium was taken at R1,300 a chest last March; the prices have since declined heavily, and we cannot assume that we shall receive

so

so high a price next year. The average price at the sale of this month was R1,071 a chest, and the price for the Budget Estimate has been taken at that amount approximately, namely, R1,075 a chest. This lower price results in a loss of Rx. 877,500. 1897-98.

As explained in paragraph 105 above, the export trade in Malwa Opium is in a very depressed condition, and until there are clear signs of a revival, we are not justified in estimating for so high a revenue from the export duty as we did last March. The rate of duty was also reduced in July last by R50 a chest. The Bombay receipts have accordingly been taken Rx. 190,400 lower than last year.

140. The increases of revenue which it has been found possible to include in the Budget Estimate for next year are few. The only ones of importance are— Increases of Revenue in India.

	Rx.
Irrigation— Direct Receipts	224,400
Stamps	103,800
Post Office	56,600

141. The increase in Irrigation Revenue occurs in the Punjab Rx. 112,900, the North-Western Provinces and Oudh Rx. 99,700, and Bengal Rx. 15,000. A large part of the increase secured in Bengal this year (see paragraph 109 above) is expected to be continued. The opening up of new channels from the Chenab Canal will secure new revenue, and the conditions of the season warrant us in expecting a high revenue generally in the Punjab and the North-Western Provinces and Oudh, though not so high as in the current year. Irrigation Revenue.

142. The increase under Stamps occurs in Bengal Rx. 64,500, and in the Punjab Rx. 35,000. The Stamp Revenue has improved very much in those two Provinces in the current year, and it is assumed that the improvement will be maintained next year. In Bombay owing to the plague, and in the North-Western Provinces and Oudh probably because of the famine, the Stamp Revenue this year has declined considerably—by Rx. 34,000 in the former and Rx. 22,000 in the latter, but it is hoped that the decrease may be made good next year. Stamp Revenue.

143. The increase in Post Office receipts represents the normal annual increase in revenue. Post Office Receipts.

144. The expenditure on Famine Relief entered in the Budget Estimates of 1897–98 amounts to the very large sum of Rx. 3,641,200. The amounts for the several Provinces are— Increases of Expenditure in India. Famine Relief.

	Rx.
North-Western Provinces and Oudh	850,000
Bengal	1,004,800
Central Provinces	680,000
Bombay	670,300
Punjab	167,800
Madras	200,400
Upper Burma	66,600
TOTAL	3,639,900

These are the sums estimated as likely to be required by the several Local Governments; and, as the Government of India are unwilling to take any step which would have even the appearance of putting any check on expenditure on this object other than the recognised checks prescribed in the Famine Codes, the estimates of the Local Governments have been accepted. The difficulty of any accurate forecast is very great, and experience alone can show whether the estimates are excessive or insufficient. We have good hope that the expenditure may be considerably less if the monsoon is favourable.

In addition to the amounts above stated, there is an expenditure of Rx. 1,300 for the supervision of relief operations in Native States.

1897-98. Distribution of Famine Relief Expenditure.

145. The following table gives for 1897–98 the information regarding the distribution of the expenditure on Famine Relief between Imperial, Provincial, and Local, which is given for 1896–97 in paragraph 115 above:—

	Imperial.	Provincial.	Local.
	Rx.	Rx.	Rx.
Central Provinces	677,900	—	2,100
Upper Burma	—	65,100	1,500
Bengal	701,300	221,800	81,700
North-Western Provinces and Oudh	850,000	—	—
Punjab	126,000	—	41,800
Madras	19,300	131,100	50,000
Bombay	570,300	—	100,000
	2,944,800	418,000	277,100

Other Increases of Expenditure in India.

146. The other heads under which the Budget Estimates for Expenditure in India of 1897–98 exceed those of 1896–97 by important amounts are:—

	Rx.
Opium	60,100
Post Office	78,400
Jails	68,400
Police	70,500
Railway and Irrigation Interest	202,800
Land for Subsidised Railway Companies	128,000

Opium Expenditure.

147. In March last we had information that the yield of the poppy crop then in the ground was likely to be below the normal, and we therefore reduced the provision in the Budget Estimate for 1896–97 under Opium slightly below the amount required to pay for an average yield. This year the reports of the crop are not unfavourable, and we have therefore provided the sum required to pay for the normal amount of 100,000 maunds of opium.

Post Office Expenditure.

148. The increase under Post Office is rather higher than the normal annual increase of expenditure of the Department.

Jail Expenditure.

149. The increase under Jails is distributed over all the Provinces except Burma (where there is a large decrease of Rx. 19,200 for the reason explained in paragraph 117), Bengal, and Assam, and is due to the high price of rations, and to the fear that the famine may have the effect of adding to the Jail population; it is quite possible that it may be found that too great allowance has been made for these two causes, and that the Expenditure may be considerably lower than the Estimate.

Police Expenditure.

150. The increase under Police occurs mainly in the following Provinces:—

	Rx.
Bombay	20,300
North-Western Provinces and Oudh	31,400
Bengal	12,800

The cost of compensation for dearness of provisions accounts for much of these increases; it may prove to have been over-estimated. Schemes of improvement in the organisation of the Police costing money are in progress in several Provinces, and the expenditure involved cannot be altogether stopped even in a year of straitened means like the present.

Railway and Irrigation Interest.

151. The increase under Railway and Irrigation Interest is the interest on the new Capital Expenditure.

Subsidised Railways.

152. The increase under Subsidised Railways is caused by the rapidly increasing number of new branch lines and extensions of Railways belonging to Companies,

Companies, all of which receive the Railway land from the Government free of cost. The more important payments for land in 1897–98 are:—

	Rx.
Mymensingh-Jamalpur Railway	11,500
South Behar Railway	20,000
Brahmaputra-Sultanpore Railway	30,000
Bhagulpur Bausi-Baidyanath Railway	52,500
Branches of the Bengal and North-Western Railway	70,000
Tinnevelly-Quilôn Railway	15,000
Tapti Valley Railway	17,200

Decreases of Expenditure in India.

153. Under the following heads the expenditure in India is expected to be less than in the Budget Estimates of 1896–97:—

	Rx.
Interest	31,600
Marine	52,200
Guaranteed Railways—Surplus Profits, Land, &c.	322,500
Minor Irrigation Works	161,700
Civil Works	359,600
Army	511,200
Special Defences	49,100

Interest charges.

154. The reduction in the Interest Charge is caused by the transfer to Railway and Irrigation Interest, Rx. 202,800 (see paragraph 151 above), and by the conversion of the bulk of the 3½ per cent. loan of 1893-94 to 3 per cent. and the discharge of the remainder, Rx. 52,400, counterbalanced by the interest at 3 per cent. on the public loan of Rx. 4,000,000, and on the special loan for the currency investment of Rx. 2,048,700 raised this year. The Estimate includes provision for the interest for part of the year on the new loan of Rx. 4,000,000 which is to be raised in the year.

Marine Expenditure.

155. The reduction in Marine Expenditure occurs mainly as under:—

	Rx.
Royal Indian Marine	16,100
Lower Burma Marine Department	21,700
Upper „ „ „	10,000

In the Royal Indian Marine the loss of the "Warren Hastings" will cause some increase of expenditure, as the hire of transport will cost more than the savings in the salaries and victualling charges of establishments afloat. This increase is, however, more than counterbalanced by reductions in the purchase of marine stores and coal; a larger part of the expenditure on those purchases is taken as recoverable from other Departments on the basis of past actuals, and the supplies for the repair of Her Majesty's ships in the Persian Gulf are for the future to be deducted from expenditure instead of being treated as receipts.

In Lower Burma the heavy expenditure of 1896–97 was required for the construction of new lightships and lights, and is not necessary next year.

In Upper Burma two steamers, the "Tammu" and the "Patrick," have been reduced.

Guaranteed Railways.

156. Under the head Guaranteed Railways—Surplus Profits, Land, &c., there is a reduction of Rx. 431,800 in the payments to the three old Guaranteed Railway Companies on account of their moiety of surplus profits: the decline in the traffic reduces the surplus profits, and on the Bombay, Baroda, and Central India Railway the profits will be further reduced by heavy outlay on the renewal of girders. On the other hand, the provision for land for branches of the Companies' Railways will involve the following outlay in 1897–98:—

	Rx.
Calicut-Cannanore Railway	98,600
Amalner-Jalgaon Railway and Chalisgaon-Dhulia Railway	20,000

Minor Irrigation Expenditure.

157. The decrease in the expenditure on Minor Irrigation Works occurs chiefly in Madras, Rx. 96,900; some large irrigation projects have been completed in Madras, and work has not yet been begun on the new schemes in contemplation in the future. In Bengal, Lower Burma, and Bombay also, the expenditure will be decreased by Rx. 27,400, Rx. 19,000, and Rx. 14,800.

1897-98. Civil Works Expenditure.

158. The reduction under Civil Works is due to the fact that the large Famine outlay and the reduction of Provincial Balances necessitate the postponement of all expenditure which it is possible to postpone, both Imperial and Provincial.

Army Expenditure.

159. In accounting for the decrease under Army Expenditure in India, the first item to be mentioned is the large one of Rx. 394,000, being the initial expenditure on the completion of mobilisation arrangements which was specially provided this year. The provision for expeditions and special services is less by Rx. 61,600 than that in the Budget Estimate of 1896–97. There are reductions of Rx. 130,700 in Exchange Compensation Allowance, Rx. 195,300 in the pay of the British troops, and Rx. 8,400 in the cost of Australian remounts, all due to the rise in the rate of exchange. Lastly, considerable reductions of the grants of the Commissariat, Clothing, and Ordnance Supply Departments have been enforced.

On the other hand, the high prices caused by the scarcity have necessitated increased provision, to the extent of Rx. 399,300, for the cost of food for men and animals, and for compensation for dearness of provisions. We hope that this, like other provisions of a similar kind under other heads, may prove to be excessive.

Special Defences.

160. As explained in paragraph 162 of the Financial Statement of March last, the expenditure on Special Defences has now been practically completed. Any expenditure of this nature in India which may be required in future will be incurred from the grant for Military Works.

Exchange Compensation Allowances.

161. The rate assumed in the Budget Estimate as the average rate, with reference to which Exchange Compensation Allowance will be paid, is 1*s.* $2\frac{3}{4}d.$ As the rate for this purpose in the Budget Estimate of 1896–97 was 1*s.* $1\frac{3}{4}d.$, there is a considerable saving under most heads on this item of expenditure, amounting in all to Rx. 315,700.

Revenue in England.

162. The estimate of sterling receipts in England does not differ appreciably from that for 1896–97.

Expenditure in England.

163. The sterling expenditure will exceed the amount taken in the Budget Estimates of 1896–97 by 179,100*l.*

The heavy expenditure on the construction of Railways and on Famine Relief has seriously diminished the amount of money available in India, to meet the drawings of the Secretary of State; it has, therefore, become necessary to reduce the sales of Council Bills, from 16,500,000*l.* to 13,000,000*l.*, and for the Secretary of State, in order that he may be able to meet his disbursements, to borrow 3,500,000*l.* in London, in addition to replacing the India Bills for 1,000,000*l.*, which he was able to discharge without replacement this year. The sterling interest payments are consequently increased by 61,400*l.* There is an increase of 45,000*l.* in the purchase of stores for the Telegraph Department; it was mentioned in paragraph 124 of the Financial Statement of March last, that the stock of stores requires replenishing. There is an increase of 100,500*l.* in the charge for interest on Capital deposited by Railway Companies; the programme of Railway construction sanctioned by the Secretary of State, in addition to the direct borrowing of 3,500,000*l.* by him, necessitates the raising of guaranteed loans by Railway Companies to the extent of 2,450,000*l.*, and the interest on them has to be met and charged in the Railway Revenue Account. Under Army, the payments to the War Office are in excess of the Budget Estimate of 1896–97, by 32,500*l.* for Non-Effective Service; the other Non-Effective Sterling charges are in excess by 33,100*l.*; but, on the other hand, the Effective charges are less by 120,700*l.*, the larger part of the reduction being under Stores.

Exchange.

164. In 1897–98 the charge for Exchange on the net Sterling Expenditure is less than in the Budget Estimate of 1896–97, by Rx. 1,225,700. The net Sterling Expenditure is more than in the Estimate of 1896–97 by 180,200*l.*, and the exchange on this difference at 1*s.* $1\frac{3}{4}d.$ the rupee is Rx. 134,300. The direct saving from the rise in the rate of exchange from 1*s.* $1\frac{3}{4}d.$ to 14·46*d.* the rupee is, therefore, Rx. 1,360,000.

SECTION IV.—EXAMINATION OF THE ESTIMATES UNDER THE MORE IMPORTANT HEADS OF REVENUE AND EXPENDITURE.

LAND REVENUE.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
REVENUE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Including that due to Irrigation:						
India, General	175,044	143,356	145,711	150,000	151,800	153,100
Central Provinces	692,222	658,389	767,332	864,600	660,000	600,000
Upper Burma	722,809	798,181	757,019	797,000	635,000	627,400
Lower Burma	1,609,106	1,658,524	1,727,985	1,760,000	1,780,000	1,795,500
Assam	561,728	602,190	597,671	614,200	609,000	614,600
Bengal	3,871,432	3,890,942	3,905,221	3,894,700	3,920,000	3,925,000
North-Western Provinces and Oudh.	6,054,373	5,872,663	6,134,442	6,113,900	4,914,200	5,927,500
Punjab	2,445,535	2,410,721	2,440,115	2,457,100	2,362,200	2,361,900
Madras	5,488,492	5,594,408	5,592,141	5,601,700	5,207,700	5,776,000
Bombay	4,715,794	4,555,037	4,954,982	4,770,000	4,351,200	4,805,700
TOTAL Rx.	26,336,535	26,184,411	27,022,619	27,023,200	24,591,100	26,586,700
Shown under XXIX.—Irrigation	746,926	776,139	821,664	929,900	891,900	940,500
Shown under I.—Land Revenue	25,589,609	25,408,272	26,200,955	26,093,300	23,699,200	25,646,200
EXPENDITURE.						
District Administration	1,836,660	1,845,760	1,875,769	1,900,200	1,875,600	1,898,700
Other Charges	2,184,953	2,202,372	2,221,348	2,275,600	2,218,800	2,268,000
TOTAL Rx.	4,021,613	4,048,132	4,097,117	4,175,800	4,094,400	4,166,700

165. The above figures of revenue reveal with vivid distinctness the effects of the famine. In paragraph 138 of the last Financial Statement the fact was noticed that the progress of land revenue had received a check in consequence of the failure of the cold weather rains in Northern India. The failure of the monsoon of 1896 has now caused wholesale retrogression, and the total land revenue this year is reduced to an amount lower than any year since 1891–92. A partial recovery is hoped for next year, but we cannot expect to collect a land revenue of the full present normal standard until another year has passed. The amounts of the loss of land revenue in each province are stated in paragraphs 103 and 136.

Opium.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
Revenue.						
Bengal—Sale of Opium - - Rx.	4,808,376	5,321,390	5,240,349	5,070,000	4,850,400	4,192,500
Bombay—Pass Fees - - - „	1,600,530	1,801,258	1,655,907	1,590,000	1,308,100	1,400,000
Excise opium and other Revenue „	218,665	201,109	227,666	235,300	228,200	223,700
Total - - - Rx.	6,627,571	7,323,757	7,123,922	6,895,300	6,386,700	5,816,200
Expenditure.						
Payments to Cultivators, including purchase of Opium - - Rx.	1,679,776	1,417,713	1,867,400	2,340,000	2,295,700	2,400,000
Other Charges - - - - - „	194,722	195,792	200,573	253,900	208,200	254,000
England - - - - £.	1,278	1,419	550	800	900	400
Exchange - - - - Rx.	831	1,181	418	600	600	300
Total - - - Rx.	1,876,607	1,616,105	2,068,941	2,595,300	2,505,400	2,654,700
Statistics.						
Bengal:						
Chests sold - - - - -	43,353	39,780	37,695	39,000	39,000	39,000
Average Price - - - Rs.	1,109	1,338	1,390	1,300	1,243	1,075
Chests produced - - -	40,506	33,329	35,953	—	45,041	—
Chests in balance, 31st March -	31,745	25,293	23,551	—	29,592	—
Reserve, 31st December - -	1,814	1,279	—2,652	—	342	—
Bombay:						
Chests passed for Export - -	26,675½	29,577½	25,475½	24,461	21,259½	23,333⅓
Rate of Duty - - - Rs.	600	600 & 650	650	650	650 & 600	600

166. Falling prices for Bengal opium and a languishing export trade in Malwa opium account for the diminished opium revenue shown above. What the reasons for those conditions are we do not venture to say with any confidence, but what information we have leads us to fear that increased production of opium in China and more successful competition of the Chinese with the Indian drug are mainly responsible. Detailed explanations regarding revenue will be found in paragraphs 105 and 139, and regarding expenditure in paragraphs 123 and 147.

Salt.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Northern India (*a*) - - - - -	1,838,656	1,894,320	1,905,325	1,930,000	1,900,000	1,947,800
Burma (*b*) - - - - - -	167,590	118,989	156,032	165,000	140,800	150,000
Bengal (*b*) - - - - - -	2,374,133	2,458,219	2,488,620	2,470,000	2,477,500	2,505,400
Madras (*a*) - - - - - -	1,629,776	1,795,354	1,997,489	1,820,000	1,709,900	1,840,200
Bombay (*a*) - - - - - -	2,218,721	2,398,867	2,314,379	2,315,000	2,210,000	2,290,600
Total - - - Rx.	8,228,876	8,605,749	8,861,845	8,700,000	8,438,200	8,734,000
Charges - - - - - -	474,405	498,415	521,044	566,900	529,100	570,200

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

167. The

167. The failure of revenue this year may be ascribed, except in Burma and Madras, to the scarcity and the plague (*see* paragraph 106). Next year a recovery is expected, and there will also be an increase of about Rx. 50,000 from the enhancement of the duty on Kohat salt from 8 annas to Rs. 2–8 a Lahori maund. That increase was ordered from the 15th of July last, the main object being to enable the Government to abolish, it is hoped at an early date, the troublesome Indus protective line, the maintenance of which is necessary so long as there is a material difference in the rates of duty on Cis-Indus and Trans-Indus salt. The measure has produced no increase of revenue this year, because ample notice was intentionally given of the change, and very considerable clearances were effected before the enhancement took effect; but those stocks must now be nearing exhaustion, and an increase of revenue will certainly be realised next year.

The saving in expenditure in 1896–97 occurs chiefly in Madras, Rx. 26,400. The Madras Government usually over-estimates the amount required for expenditure under this head. The charges of the Northern India Salt Department are also less than the Budget Estimate by Rx. 8,000, the manufacturing charges at Sambhar having been lower than expected. In Bengal Rx. 5,000 was provided for a preventive establishment in the salt-bearing districts other than Orissa, but the measure is not yet matured. A provision of Rx. 20,000 is made for the same purpose in 1897–98. After long and careful inquiry, the Government of Bengal has been convinced that extensive illicit dealings in salt are prevalent in some of the coast districts, and it is hoped that a scheme to protect this important branch of the revenue in Bengal may be matured and sanctioned in time to be brought into operation in 1897-98.

STAMPS.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
REVENUE.						
Court Fees and Plain Paper - Rx.	3,063,463	3,162,521	3,224,216	3,228,800	3,232,600	3,277,500
Commercial and other Stamps - „	1,368,399	1,383,285	1,418,875	1,422,900	1,451,100	1,476,600
Other Revenue - - - - - „	77,489	79,874	83,964	81,000	87,800	82,400
TOTAL - - - Rx.	4,509,351	4,625,680	4,727,055	4,732,700	4,771,500	4,836,500
Charges:						
India - - - - - Rx.	92,424	93,211	95,158	96,600	95,400	97,300
England (Stores) - - £.	38,875	45,103	43,492	46,000	41,000	29,800
Exchange - - - - - Rx.	25,263	37,525	33,044	34,300	27,100	19,700
TOTAL - - - Rx.	156,562	175,839	171,694	176,900	163,500	146,800

168. The only explanations required under this head will be found in paragraph 142 above.

EXCISE.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
REVENUE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Bengal - - - - - - -	1,214,817	1,256,235	1,337,850	1,330,000	1,355,000	1,345,000
North-Western Provinces - - -	572,202	574,554	549,459	565,000	440,000	500,000
Madras - - - - - - -	1,287,466	1,367,157	1,438,405	1,445,000	1,480,000	1,530,000
Bombay - - - - - - -	1,071,765	1,100,897	1,164,147	1,160,000	1,100,000	1,100,000
Other Provinces - - - -	1,242,323	1,228,833	1,232,556	1,244,700	1,238,200	1,204,100
TOTAL - - -	5,388,573	5,527,676	5,722,417	5,744,700	5,613,200	5,679,100
Charges - - - - - - -	193,375	192,809	207,957	221,500	212,800	211,400

169. The usual development of excise revenue has been checked by the famine. Reference for details may be made to paragraphs 107 and 138.

PROVINCIAL RATES.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
REVENUE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
District Local Funds	2,080,643	2,074,933	2,184,443	2,151,800	2,096,200	2,200,300
Provincial Cesses, including Famine Insurance.	690,918	692,610	664,081	692,600	654,800	599,200
Village Service and Patwaris	608,886	643,959	734,443	693,200	669,400	681,600
Other Cesses	134,124	129,652	124,038	132,200	117,600	134,600
TOTAL	3,514,571	3,541,154	3,707,005	3,669,800	3,538,000	3,621,700
Charges	53,809	56,438	52,675	56,600	52,800	54,600

170. This revenue has suffered, with land revenue, from the famine.

CUSTOMS.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
Import Duties—	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Arms, Ammunition, and Military Stores.	35,133	32,238	33,867	32,400	33,400	33,000
Liquors—Spirits	529,505	549,952	591,003	546,700	584,500	581,300
Other sorts	66,046	61,657	71,583	63,800	68,000	66,500
Articles of Food and Drink	18,871	299,515	311,108	312,300	303,700	310,700
Chemicals, Drugs, Medicines, &c.	3,498	92,740	102,397	97,200	101,000	98,500
Silver Bullion and Coin	3,697	349,192	355,869	250,000	350,200	245,200
Other Metals and Manufactures of Metals.	36,230	206,723	257,871	224,900	234,100	239,800
Oils	263,868	323,727	408,690	397,700	399,300	391,800
Manufactured Articles	30,987	586,135	541,946	648,200	611,000	660,700
Raw Materials and Unmanufactured Articles.			113,027			
Cotton Goods	–	385,268	1,183,443	904,700	905,300	904,900
TOTAL IMPORT DUTIES	987,835	2,887,147	3,970,804	3,477,900	3,590,500	3,532,400
Excise Duty on Cotton Goods	–	10,392	63,915	115,000	111,500	109,100
Export Duties—						
Rice	663,026	906,538	930,616	838,700	758,000	800,000
Land Customs and Miscellaneous	31,512	50,878	51,943	50,300	56,700	50,400
GRAND TOTAL	1,682,373	3,854,955	5,017,278	4,481,900	4,516,700	4,491,900
Charges	143,736	174,547	202,948	207,300	202,000	210,700

171. The

171. The two important variations under this head are the continued high imports of silver, and the falling off in the exports of rice, which has been largely diverted to India in consequence of the scarcity. The other heads will realise this year fairly closely the amounts estimated last March. For next year, the imports of silver are taken lower than the actuals of the last three years, as it is not yet considered safe to estimate that these represent the normal annual imports, and the rice exports are taken about Rx. 50,000 higher than in the Revised Estimate for 1896–97. The duties on cotton goods are also taken approximately at the same amount as in 1896–97; it is quite possible that one effect of the scarcity and distress in India may be to cause a considerable reduction in the imports of cotton goods, but it is not considered necessary to assume this for the estimate, especially as the estimate as a whole is moderate and cautious.

ASSESSED TAXES.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97.		1897-98, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Deduction by Government from Salaries, Pensions, and Interest payments.	435,138	459,557	447,688	456,000	442,400	445,000
Other Collections - - - - -	1,304,033	1,348,503	1,387,501	1,387,200	1,413,100	1,405,300
TOTAL - - -	1,739,171	1,808,060	1,835,189	1,843,200	1,855,500	1,850,300
Charges - - - - - - -	31,060	29,771	29,868	31,400	30,300	32,700

172. This revenue also has suffered from the famine and plague. In Bombay the receipts are expected to fall short of the Budget Estimate of 1896–97 by Rx. 12,700 this year, and Rx. 30,200 next year; in the North-Western Provinces and Oudh, by Rx. 7,500 and Rx. 5,000; and in the Punjab, by Rx. 2,000 this year. The other provinces show moderate progress.

FOREST.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97.		1897-98, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - - - -	1,723,022	1,631,548	1,660,504	1,732,300	1,768,500	1,756,200
Expenditure - - - - -	906,407	913,449	911,161	1,045,800	999,900	1,076,100
Net - - -	816,615	718,099	749,343	686,500	768,600	680,100

173. This is another head which is suffering from the effects of the famine, and from measures taken to relieve the famine-stricken population. The revenue this year will fall short of the Budget Estimate by Rx. 34.700 in Bombay, Rx. 35,800 in the Central Provinces, and Rx. 16,700 in the North-Western Provinces and Oudh. On the other hand, there are increases of Rx. 74,500 in Burma, Rx. 32,600 in Madras, and Rx. 12,600 in the Punjab. The results for next year are slightly better, and similar in distribution to those for this, except that the very high revenue in Burma is not assumed to be likely to recur.

Interest Receipts.

	Accounts, 1893–94.	Accounts, 1894–95.	Accounts, 1895–96.	1896–97. Budget.	1896–97. Revised.	1897–98, Budget.
India - - - - Rx.	858,921	808,121	801,267	839,600	918,900	833,000
England - - - £.	10,041	3,789	13,516	5,000	101,400	5,000
Exchange - - - Rx.	6,525	3,152	10,269	3,700	67,000	3,300
Total - - - Rx.	875,487	815,062	825,052	848,300	1,087,300	841,300

174. The increases in 1896–97 are explained in paragraphs 112 and 131. It is not considered safe to count on receiving similar special receipts next year.

Interest Expenditure.

	Accounts, 1893-94.	Accounts, 1894–95.	Accounts, 1895–96.	1896–97. Budget.	1896–97. Revised.	1897–98, Budget.
Interest on Debt:						
India - - - Rx.	4,273,814	4,573,871	3,731,433	3,707,000	3,745,000	3,878,200
Deduct charged to—						
Irrigation - Rx.	1,165,558	1,194,115	1,222,409	1,254,100	1,253,400	1,285,000
Railways - „	3,346,574	3,517,197	3,686,287	3,926,900	3,865,200	4,098,800
Balance charged to Interest - Rx.	—238,318	—137,441	—1,177,263	—1,474,000	—1,373,600	—1,505,600
England - - - £.	2,505,280	2,611,921	2,622,695	2,656,400	2,630,800	2,717,800
Exchange - - - Rx.	1,628,094	2,173,077	1,992,644	1,980,200	1,736,300	1,793,800
Interest on other Obligations:						
On Savings Bank Balances Rx.	367,966	296,968	338,497	328,800	348,500	350,000
Other Items—including Exchange - - „	183,347	179,492	268,226	185,300	114,100	194,000
Total - - - Rx.	4,446,369	5,124,017	4,044,799	3,676,700	3,456,100	3,550,000
Debt outstanding, 31st March:						
Sterling - - - £.	114,113,792	116,005,826	115,903,732	116,090,526	114,984,932	119,484,932
Rupee Debt:						
4 per Cent. - - Rx.	100,706,332	5,556,946	5,436,298	107,507,640	5,316,298	5,196,198
3½ per Cent. - - „	3,551,280	95,492,040	96,462,450		90,914,340	90,914,340
3 per Cent. - - - „	—	—	—		10,935,860	14,935,860
Other Debt - - „	1,288,466	3,324,754	1,890,180		1,954,130	1,499,130
Savings Bank Balances - „	10,322,541	10,535,018	11,121,252	11,862,618	10,880,152	11,308,152

175. The figures for 1896–97 have been explained in paragraphs 118, 124, and 132. The heavy borrowing to which it has been necessary to resort, both in India, and in England, explains the increase of the total charges for interest on debt; that involves a permanent annual addition to the expenditure. The distribution of the total between ordinary and public works debt is explained in paragraphs 118 and 154.

Post Office, Telegraph, and Mint.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
Post Office.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue	1,561,263	1,631,815	1,713,495	1,770,700	1,772,800	1,827,300
Expenditure	1,557,457	1,606,281	1,643,798	1,692,600	1,714,100	1,749,300
Net	+3,806	+25,534	+69,697	+78,100	+58,700	+78,000
Telegraph.						
Revenue Accounts:						
Revenue	959,096	978,697	1,085,940	1,106,400	1,078,200	1,088,000
Expenditure	684,782	732,044	737,907	795,200	775,900	782,200
Net	+274,314	+246,653	+348,033	+311,200	+302,300	+305,800
Capital Expenditure	217,351	75,904	159,946	192,800	179,000	306,500
Mint.						
Revenue	227,355	35,106	40,918	37,200	141,000	67,500
Expenditure	91,080	51,946	53,229	52,900	59,400	53,200
Net	+136,275	—16,840	—12,311	—15,700	+81,600	+14,300

176. The post office receipts continue to increase satisfactorily. But both this year and next the increase of expenditure is specially heavy; this is due to the famine, the high prices necessitating payment of compensation for dearness of provisions to postal servants on low pay, and larger expenditure on the feed of ponies and bullocks employed on the passenger and bullock train services.

177. The progress of telegraph receipts has undergone a temporary check. The traffic has not been brisk this year; both this year and next there is a loss of revenue, owing to its having been deemed right to reduce the rent charged to railways for the use of wires and instruments, and next year it is expected that certain arrangements which are in contemplation for the quicker delivery of messages classed as "deferred" may reduce the receipts by causing a larger use of "deferred" instead of "ordinary" messages.

178. The figures of telegraph expenditure on revenue account are normal. The large increase of telegraph capital expenditure is necessitated by the rapid rate of the construction of railways, as telegraph lines must be constructed on all new railways.

179. The increase in the Mint receipts in 1896-97, has been explained in paragraph 110; the expenditure is slightly increased by the large amount of work in the coinage of copper and small silver; the receipts under gain on copper coinage will be higher than usual next year also, as the demand for copper will continue until it is possible to close the Famine Relief Works; this gain is taken at Rx. 50,000 in the Budget Estimate of 1897-98, as compared with Rx. 122,000 this year.

CIVIL DEPARTMENTS.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
General Administration:						
India - - - Rx.	1,519,132	1,586,216	1,594,089	1,575,800	1,581,300	1,573,900
England - - - £.	265,812	273,303	243,955	251,600	261,600	256,400
Exchange - - Rx.	172,742	227,384	185,350	187,500	172,600	169,200
Law and Justice:						
Courts - - - Rx.	2,996,460	3,070,575	3,090,807	3,112,400	3,092,100	3,119,300
Jails - - - „	924,053	905,140	956,762	972,300	1,071,400	1,040,700
Police - - - - „	3,919,785	3,989,003	4,040,817	4,113,900	4,138,300	4,184,300
Marine:						
Imperial (*a*) - - Rx.	595,675	531,281	597,702	578,400	557,800	515,500
Provincial - - - „	158,581	141,361	145,410	167,100	165,600	176,100
Education - - - „	1,471,761	1,511,223	1,536,489	1,648,100	1,561,300	1,626,200
Ecclesiastical - - - „	176,602	185,521	192,410	195,700	189,800	193,700
Medical - - - - „	979,122	1,015,230	1,030,915	1,073,900	1,065,800	1,076,800
Political - - - „	965,828	897,584	1,062,183	980,600	999,900	983,600
Scientific and Minor Departments - - - „	492,287	501,388	495,971	542,200	525,800	552,100
TOTAL - - - Rx.	14,637,840	14,835,209	15,172,860	15,399,500	15,383,300	15,467,800

(*a*) Includes Upper Burma charges up to 1896-97.

180. The rise in the rate of exchange will diminish the expenditure under most of these heads, by reducing the charges for exchange compensation allowance and for exchange on sterling transactions. On the other hand, the charges under nearly all of them are increased by the rise of prices caused by the scarcity.

181. It will be noticed that, with the exception of jails and police, the increase of expenditure under the several heads is at a much lower rate than the usual annual increase; indeed, excluding those two heads (and on the other side the exchange on sterling expenditure), the total expenditure is less than the Budget Estimate of 1896-97. The severe strain thrown on the revenues, both Imperial and provincial, by the famine has rendered necessary the exercise of rigid economy, wherever economy is possible.

182. The expenditure on jails is specially high both this year and next; the rise in prices, besides causing expenditure on compensation for dearness of provisions, as under the other heads of the group, increases the cost of the prisoners' rations. Under police the expenditure on compensation for dearness of provisions is higher than under any other head; and it is also necessary to continue the progress already begun in costly schemes of improvement in police administration.

MISCELLANEOUS CIVIL CHARGES.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
Territorial and Political Pensions - - - Rx.	508,443	471,077	454,082	455,500	443,400	435,900
Civil Furlough and Absentee Allowances:						
India - - - Rx.	1,548	1,271	793	1,100	700	900
England - - - £.	197,521	220,651	223,537	226,000	228,000	226,000
Exchange - - Rx.	128,362	183,578	169,837	168,500	150,500	149,200
Superannuation Allowances and Pensions:						
India - - - Rx.	910,547	944,865	969,146	997,900	1,001,100	1,026,100
England - - - £.	1,784,051	1,788,908	1,817,694	1,846,500	1,873,000	1,884,200
Exchange - - Rx.	1,159,393	1,488,343	1,381,029	1,376,500	1,236,200	1,243,600
Stationery and Printing - „	683,181	695,189	685,187	715,500	693,100	704,700
Miscellaneous - - - „	273,831	271,823	232,027	242,800	236,900	242,400
TOTAL - - - Rx.	5,646,877	6,065,705	5,933,332	6,030,300	5,862,900	5,913,000

183. The

183. The characteristics of the expenditure under this group continue the same as explained in previous Financial Statements.

FAMINE RELIEF AND INSURANCE.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Famine Relief	496	10,258	18,301	75,000	1,965,700	3,641,200
Construction of Protective Railways	1,060,954	556,867	529,867	473,500	–	–
Construction of Protective Irrigation Works	56,351	43,110	38,317	50,000	47,200	25,000
TOTAL	1,117,801	610,235	586,485	598,500	2,012,900	3,666,200
Net Charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account	371,768	389,765	413,515	401,500	435,600	456,500
TOTAL EXPENDITURE CHARGEABLE TO THE FAMINE GRANT	1,489,569	1,000,000	1,000,000	1,000,000	2,448,500	4,122,700

184. This expenditure is the main feature of the finances of both years, and has been so fully discussed in preceding paragraphs of this Statement that it is unnecessary to add anything here, except to notice that, as the direct charges for Famine Relief largely exceed the limit fixed in normal years for the Famine Insurance Grant, it has been necessary to remove the charges for the construction of Protective Railways from the head; the expenditure on them, however, is being continued, the charges being shown under Head 48 of Expenditure not charged to Revenue, a course which is permissible as the Railways are expected to yield a return of 4 per cent. when completed.

RAILWAY REVENUE ACCOUNT.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
STATE RAILWAYS:						
Gross Receipts - Rx.	16,879,107	18,152,155	18,558,699	18,322,100	17,525,000	18,023,700
Working Expenses - Rx.	8,263,975	8,791,031	9,040,836	9,010,800	8,825,000	9,027,300
Interest and other Charges:						
India - - - Rx.	3,358,968	3,532,222	3,700,813	3,943,100	3,880,000	4,118,300
England - - - £.	3,589,593	3,584,284	3,586,219	3,612,000	3,629,900	3,702,400
Exchange - - - Rx.	2,332,751	2,982,068	2,724,699	2,692,600	2,395,700	2,443,600
Net Result - - - Rx.	—666,180	—737,450	—493,868	—936,400	—1,205,600	—1,267,900
GUARANTEED RAILWAYS:						
Net Traffic Receipts - Rx.	3,383,812	3,050,311	3,275,238	3,233,000	2,610,000	2,630,000
Surplus Profits, Interest, and other Charges:						
India - - - Rx.	607,753	638,588	533,137	632,400	488,600	310,200
England - - - £.	2,154,726	2,154,714	2,161,563	2,160,700	2,160,900	2,169,400
Exchange - - Rx.	1,400,277	1,792,688	1,642,290	1,610,700	1,426,200	1,431,800
Net Result - - - Rx.	—778,938	—1,535,679	—1,061,752	—1,170,800	—1,465,700	—1,281,400
Other Receipts - - Rx.	34,054	41,694	25,252	28,100	24,900	28,700
Other Charges - - Rx.	124,439	117,054	89,900	195,200	163,800	296,200

RAILWAY REVENUE ACCOUNT—*continued.*

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
STATISTICS:						
State Railways:						
Capital Expenditure to 31st March:						
Expenditure by Government - - Rx.	114,277,052	118,718,037	122,701,781	128,879,437	126,535,681	132,381,581
Expenditure by Companies - - Rx.	24,261,335	24,937,833	25,721,568	28,980,133	27,854,168	30,066,968
Outlay on the East Indian Railway from debentures raised by the Company - Rx.	—	—	271,698	—	1,708,698	2,370,798
TOTAL - Rx.	138,538,387	143,655,870	148,695,047	157,859,570	156,098,547	164,819,347
Miles open on 1st April -	13,461	13,806	14,146	14,872	14,721	15,385
Guaranteed Railways:						
Miles open on 1st April -	2,587	2,587	2,587	2,587	2,588	2,588

185. The variations in the Estimates of the Receipts, Working Expenses, Interest, and Surplus Profits and other charges in India, have been explained in paragraphs 104, 118, 126, 127, 137, 151, and 156. The increase in the sterling interest charge of State Railways occurs on the Capital deposited by Companies, and is due to the fact that borrowing through Companies is necessary in order to carry out the programme of Railway Construction which has been sanctioned. The rise in the rate of exchange causes a large saving in the Exchange on the sterling charges, and this makes the figures in the line for Net Result in the above table appear much more favourable than they in a sense really are.

As already explained, the poorness of the results of the Railway Revenue Account may be entirely ascribed to the scarcity and the plague. As soon as the clouds of famine and plague disperse, the Railway Revenue may be expected to advance very rapidly.

IRRIGATION.

IRRIGATION.	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
MAJOR WORKS.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue:						
Direct Receipts - - -	1,349,685	1,370,587	1,279,408	1,743,700	2,096,200	1,968,100
Land Revenue - - -	746,926	776,139	821,664	929,900	891,900	940,500
Expenditure:						
Working Expenses - -	788,957	799,759	787,301	820,700	876,100	859,800
Interest - - - - -	1,165,558	1,194,115	1,222,409	1,254,100	1,253,400	1,285,000
Net - - -	+ 142,096	+ 152,852	+ 91,362	+ 598,800	+ 858,600	+ 763,800
MINOR WORKS.						
Receipts—Direct - -	199,798	192,089	198,881	209,700	212,600	213,900
Expenditure - - -	908,052	958,906	966,601	1,128,800	1,122,100	966,900
STATISTICS OF MAJOR WORKS.						
Capital outlay to 31st March	29,679,280	30,343,404	31,101,556	31,921,104	31,897,656	32,675,756

186. It has been explained in paragraphs 109 and 141 above that the increases in the receipts from major works are due mainly to the failure of the rains; the same is true of the smaller increases in the receipts from minor works.

In 1897–98, notwithstanding the need for economy in view of the general position, it is not possible to avoid some increase in the working expenses of major works, as new works are being constructed from borrowed money every year, and these must be maintained; but a considerable reduction has been effected in the expenditure on minor works.

187. The

187. The financial results obtained during 1894–95 and 1895–96, from irrigation works for which capital and revenue accounts are kept, are given below :—

	1894–95.	1895–96.
MAJOR WORKS :	Rx.	Rx.
Capital outlay— Direct and indirect { During the year	695,032	788,997
Capital outlay— Direct and indirect { To end of year	31,731,986	32,520,702
Revenue Account— Gross revenue	2,182,413	2,134,247
Maintenance and working	888,558	872,877
Net Revenue	1,293,855	1,261,370
Interest	1,194,115	1,222,398
Net Profit	99,740	38,972
Percentage of net revenue of the year on the capital outlay to end of the year	4·08	3·88
MINOR WORKS :		
Capital outlay— Direct and indirect { During the year	70,531	104,318
Capital outlay— Direct and indirect { To end of year	4,849,733	4,954,050
Revenue Account— Gross revenue	536,014	513,422
Maintenance and working	262,070	241,191
Net Revenue	273,944	272,231
Percentage of net revenue of the year on the capital outlay to end of the year	5·06	5·49

The figures in this table are taken from the administrative accounts. On minor works interest on the capital outlay is not charged, as the capital expenditure is incurred from revenue.

BUILDINGS AND ROADS.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
MILITARY WORKS :	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
In Upper Burma	150,448	90,467	80,008	85,400	81,000	71,900
Elsewhere	1,030,160	917,484	1,125,930	1,148,000	1,073,000	1,159,300
Deduct receipts	45,894	59,654	49,699	50,000	61,100	50,000
Net	1,134,714	948,297	1,156.239	1,183,400	1,092,900	1,181,200
CIVIL WORKS :						
Imperial—						
Expenditure	836,288	655,009	763,458	850,300	820,600	472,100
Receipts	59,254	60,365	66,421	59,300	59,600	55,200
Provincial—						
Expenditure	2,116,812	1,991,074	2,063,159	2,306,000	2,205,900	2,291,000
Receipts	292,660	295,474	305,041	274,400	283,000	280,900
Local—						
Expenditure	1,677,144	1,698,767	1,777,957	1,750,900	1,832,700	1,785,800
Receipts	276,546	276,984	292,671	280,900	294,000	293,500

188. Regarding Military Works reference may be made to paragraph 128.

189. Under Civil Works the expenditure in 1896–97 on imperial and provincial works has been kept below the Budget Estimates. But the local expenditure shows a considerable excess in Madras (Rx. 41,100), Bengal (Rx. 42,200), and Bombay (Rx. 37,400).

In 1897–98 the Upper Burma expenditure (Rx. 275,000) is transferred from Imperial to Provincial, as that Province will now be included with Lower Burma in a provincial settlement. Allowance being made for that change, it will be seen that large reductions of grants have been enforced both under Imperial and Provincial. The local expenditure, though higher than the Budget Estimate of 1896–97, is lower than the Revised Estimate.

Army Services.

	Accounts, 1893-94.	Accounts, 1894-95.	Accounts, 1895-96.	1896-97. Budget.	1896-97. Revised.	1897-98, Budget.
Effective Services.						
Regimental Pay and Allowances:						
India - - - Rx.	7,889,626	8,348,840	8,697,465	8,634,700	8,615,500	8,432,400
England - - - £.	1,070,454	1,100,282	1,048,930	1,088,000	1,065,000	1,098,000
Exchange - - - Rx.	695,651	915,417	796,945	811,100	702,900	724,700
Total - - Rx.	9,655,731	10,364,539	10,543,340	10,533,800	10,383,400	10,255,100
Less—Receipts - - Rx.	12,018	8,040	7,695	7,700	7,700	7,800
Net - - Rx.	9,643,713	10,356,499	10,535,645	10,526,100	10,375,700	10,247,300
Commissariat:						
India - - - Rx.	3,402,755	3,127,955	3,079,399	3,887,800	3,843,300	3,853,000
England - - - £.	30,864	22,720	21,838	16,600	51,600	23,300
Exchange - - - Rx.	20,057	18,902	16,592	12,400	34,100	15,400
Total - - Rx.	3,453,676	3,169,577	3,117,829	3,916,800	3,929,000	3,891,700
Less—Receipts - - Rx.	443,707	447,666	437,966	448,200	467,700	459,900
Net - - Rx.	3,009,969	2,721,911	2,679,863	3,468,600	3,461,300	3,431,800
Ordnance:						
India - - - Rx.	830,074	828,120	846,935	970,400	887,600	882,900
England - - - £.	557,264	330,784	245,124	387,500	343,000	339,800
Exchange - - - Rx.	362,147	275,207	186,238	288,800	226,400	224,200
Total - - Rx.	1,749,485	1,434,111	1,278,297	1,646,700	1,457,000	1,446,900
Less—Receipts - - Rx.	104,350	197,079	185,562	106,700	128,900	116,700
Net - - Rx.	1,645,135	1,237,032	1,092,735	1,540,000	1,328,100	1,330,200
Other Heads:						
Expenditure - - Rx.	3,743,641	4,006,466	5,485,002	4,028,000	3,690,000	3,646,400
Receipts - - - Rx.	199,801	253,599	235,933	203,500	248,200	194,500
Net - - Rx.	3,543,840	3,752,867	5,249,069	3,824,500	3,441,800	3,451,900
Non-effective Services:						
India - - - Rx.	938,666	903,410	897,135	919,500	898,700	918,600
England - - - £.	2,250,122	2,302,415	2,316,527	2,366,200	2,372,000	2,431,800
Exchange - - - Rx.	1,462,276	1,915,573	1,760,027	1,763,900	1,565,500	1,605,000
Total - - Rx.	4,651,064	5,121,398	4,973,689	5,049,600	4,836,200	4,955,400
Less—Receipts - - Rx.	90,350	103,813	110,855	113,000	112,300	102,400
Net - - Rx.	4,560,714	5,017,585	4,862,834	4,936,600	4,723,900	4,853,000
Grand Total:						
India - - - Rx.	15,964,836	16,245,960	18,120,112	17,480,100	17,205,700	16,968,900
England - - - £.	4,417,792	4,285,043	4,135,794	4,408,500	4,271,000	4,353,400
Exchange - - - Rx.	2,870,969	3,565,088	3,142,251	3,286,300	2,818,900	2,873,200
Total - - Rx.	23,253,597	24,096,091	25,398,157	25,174,900	24,295,600	24,195,500
Less—Receipts - - Rx.	850,226	1,010,197	978,011	879,100	964,800	881,300
Net - - Rx.	22,403,371	23,085,894	24,420,146	24,295,800	23,330,800	23,314,200

190. It is not necessary to add anything to the remarks on this head contained in paragraphs 129, 132, 159, and 163.

Special Defence Works.

191. The following table shows the expenditure on "Special Defence Works":—

	Rx.
To end of 1886-87	150,409
1886-87	325,626
1887-88	456,017
1888-89	789,595
1889-90	689,481
1890-91	491,837
1891-92	604,848
1892-93	458,060
1893-94	324,974
1894-95	217,867
1895-96	101,349
1896-97, Budget Estimate Rx. 57,500; Revised Estimate	123,500
1897-98, Budget „	19,400
	4,752,963

192. This head will now be closed so far as expenditure in India is concerned; but the outlay on armaments for the Defence Works incurred in England will still be charged to it.

Section V.—CAPITAL EXPENDITURE ON PUBLIC WORKS NOT CHARGED AGAINST REVENUE.

193. As explained in paragraph 163 of the Financial Statement of March 1896, the programme of Capital Expenditure during 1896-97 was fixed at Rx. 6,730,200, made up of:—

	Rx.
Railways	5,980,200
Irrigation	750,000

Of the Railway Grant, Rx. 473,500 was shown against the Famine Grant as expenditure on Protective Railways.

During the course of the year the Secretary of State, in dealing with the question of the manner in which funds should be provided for the construction and development of railways in the hands of companies, expressed his willingness to agree to the expenditure of a sum of about 27 crores of rupees upon the extension of Indian railways during the years 1896-97, 1897-98, and 1898-99. The Government of India thereupon drew up a forecast of the expenditure they proposed to incur during these years, and explained that, in view of the works already sanctioned and commenced during 1896-97, they found some difficulty in placing the total at a lower figure than 28 crores, or (including the branches of the old guaranteed lines) 29·66 crores of rupees. This programme, which has been accepted by the Secretary of State, provided for expenditure as follows:

	Rx.	Rx.
1896-97	10,174,700	
1897-98	10,130,000	
1898-99	7,695,300	
Total		28,000,000
Add—for Guaranteed Railway Extensions		1,665,000
Grand Total		29,665,000

This expenditure was to be provided thus :—

	1896-97.	1897-98.	1898-99.
	Rx.	Rx.	Rx.
From Imperial Funds - - - -	5,980,200	6,420,000	5,405,300
Capital of Indian Railway Companies -	4,194,500	3,710,000	2,290,000
and was to be expended—			
By State Agency - - - - -	3,629,000	3,320,000	2,705,300
By the Agency of Companies - -	6,545,700	6,810,000	4,990,000

The expenditure by the Guaranteed Companies was not set down against any particular year, and it is now estimated that very little outlay will be incurred on these branch lines until 1898-99. The whole of the Rx. 1,665,000 may therefore be taken in that year.

In addition to this, it was anticipated that expenditure would be incurred by the Agency of Branch Line Companies and Companies outside the accounts of the Government of India, which bought the total programme for 1896–97 up to a figure in excess of 12 crores of rupees.

The grant of Rx. 5,980,200 for expenditure from Imperial Funds was modified during the year by the transfer of the Burma Railways to a Company, with effect from September 1, 1896, the balance of the expenditure of the year from that date, estimated at Rx. 585,400, being met from the Company's capital.

The Assam-Bengal Railway Company and the East Indian Railway Company were unable to spend their grants, and the Bengal and North-Western Railway Company failed also to spend the amount provided for the extensions of the Tirhoot State Railway. The short expenditure amounted to Rx. 830,400. It was arranged that the expenditure on the East Indian Railway should be charged to Head 48, that head being credited with the amount of debentures raised by the Company; in consequence of the Company having raised Rx. 757,000 more than they spent, the short outlay under 48 was further increased to Rx. 1,587,400, and the Revised Estimate has been taken at Rx. 3,819,900 for Railways and Rx. 737,500 for Irrigation Works.

As regards the expenditure to be met from Companies' Capital, which was estimated at Rx. 4,194,500 (including Rx. 737,800 for the East Indian Railway which has since been transferred to Imperial Funds), the Indian Midland Railway Company and the Bengal-Nagpur Company failed to spend the grants provided for them, and the Revised Estimate has been taken at Rx. 3,501,400.

The total expenditure of the year, as compared with the Rx. 10,174,700 provided in the forecast, amounts to—

	Rx.
Imperial Funds - - - - - - - - -	5,256,900
Capital of Indian Railway Companies - - - -	3,501,400
TOTAL - - -	8,758,300

In addition to the above sum, the Branch Line Companies and the other Companies whose accounts are not incorporated in the Government accounts are expected to spend during the year Rx. 2,118,200, making a total of Rx. 11,228,500 for all Railways in India.

194. As regards 1897–98, the amount provided in the forecast is Rx. 10,130,000, of which Rx. 6,420,000 is to be provided from Imperial Funds and Rx. 3,710,000 from Companies' Capital. Allowing for the transfer of the Burma Railways to a Company, and for the special treatment of the East Indian Railway debentures, as well as for the provision for expenditure in England on the

the Assam-Bengal Railway, the Estimate for Capital Expenditure not charged to Revenue has been prepared for—

	Rx.
Railways	5,838,600
Irrigation	750,000
TOTAL	6,588,600

The expenditure on the East Indian Railway from debentures, amounting to Rx. 662,100, should be added to the above figure to give the total outlay on State Railways. In addition to the above, further capital expenditure, as noted below, will also be incurred next year on Railways :—

	Rx.
Capital Account of Indian Railway Companies, including the extensions of the Bengal-Nagpur and Indian Midland Railways	3,629,300
Branch Line Companies—	
Ahmedabad-Parantij, Brahmaputra-Sultanpur, Mymensingh-Jamalpur, South Behar, and Tapti Valley Railways	1,609,800
Outside the Government Accounts—	
Bengal and North-Western Railway extensions	806,000
Southern Punjab	724,600
Segowlie-Rakhsal	55,000
Barsi	8,400
Nilgiri	80,000
TOTAL	6,913,100

The total of the programme for Capital Expenditure on Railways and Irrigation Works in 1897–98 accordingly exceeds 14 crores of rupees.

48.—STATE RAILWAYS—CONSTRUCTION.

195. The Budget Grant for 1895–96 amounted to Rx. 3,700,000, as under:—

	Rx.
Amount provided under "Not charged to Revenue"	4,400,000
Deduct,—	
Provision for Irrigation Works	700,000
Leaving for Railways under 48	3,700,000

196. The Revised Estimate provided for a total expenditure of Rx. 4,157,000, as under:—

	Rx.
Amount provided under "Not charged to Revenue"	4,327,200
Deduct,—	
Provision for Irrigation Works	705,000
Leaving for Railways under 48	3,622,200
Provided under "34.—Construction of Protective Railways"	534,800
TOTAL	4,157,000

against which the actual expenditure incurred amounted to Rx. 3,917,094, thus falling short of the Revised Estimate by Rx. 239,906, and exceeding the Budget provision

provision by Rx. 217,094. Of moneys placed at his disposal up to 30th November 1895 (date of despatch of indents from India), the Secretary of State was unable to spend 108,938*l.*, which sum, with exchange and charges upon it, amounted to Rx. 192,664.

197. The amounts provided for Railway Construction this year and next are, as explained above, Revised Estimate, 1896–97, Rx. 3,819,900, and Budget Estimate, 1897–98, Rx. 5,838,600, the distribution of which is as follows :—

	Revised Estimate, 1896–97.	Budget Estimate, 1897–98.
EXPENDITURE BY STATE AGENCY.	Rx.	Rx.
Open Lines :		
North-Western	435,000	37,700
Oudh and Rohilkhand	63,100	78,500
Burma	13,900	—
Eastern Bengal	448,900	272,500
Warora Colliery	—6,700	—1,800
Umaria Colliery	8,200	4,100
Stores transactions	—4,100	—7,600
Frontier Railway Reserve Material	1,600	—
TOTAL	959,900	383,400
Lines under Construction :		
Mu Valley	50,600	—
East Coast	292,800	65,000
Mandalay-Kunlon	115,400	—
Godavari Bridge	21,000	185,000
RaeBareli-Benares	257,100	432,500
Mushkaf-Bolan	210,200	—
Mari-Attock	373,700	300,000
Kotri-Rohri	420,100	211,000
North-Western Railway—Gradient Improvements	—10,900	—
Bezwada-Madras	841,800	800,000
Rajbari-Fareedpur	5,000	80,000
Rungpur-Dhubri	—	50,000
Cawnpore-Gogra	27,500	—
Lyallpur-Khanewal	5,000	80,000
*Bhatinda-Ferozepore (Conversion)	—	90,000
Southern Punjab—Rolling Stock	—	222,300
*Shadipalli-Balotra	—	90,000
*Agra-Muttra-Delhi Chord	—	275,200
Wazirabad-Lyallpur	78,700	10,000
TOTAL	2,688,900	2,891,000
TOTAL STATE AGENCY	3,648,800	3,274,400

*These amounts are at present held in reserve with the Government of India against the provision in the forecast, pending sanction to the construction of the lines.

	Revised Estimate, 1896–97.		Budget Estimate, 1897–98.
EXPENDITURE BY AGENCY OF COMPANIES.	Rx.		Rx.
Open Lines:			
East Indian Railway, including extensions	680,000		1,200,000
Rajputana-Malwa System	35,000		65,000
Tirhoot	24,100		110,000
Bhopal	3,000		2,000
Wardha Coal	700		7,500
Dhond and Manmad	2,500		7,500
South Indian	15,000		50,000
Guntakal-Mysore Frontier	2,000		1,000
Madras-Ennore	1,000		2,000
Palanpur-Deesa	1,200		500
TOTAL	764,500		1,445,500
Lines under Construction:			
Assam-Bengal — Land, Part I.	45,000		50,000
Assam-Bengal — Construction, Part II.	1,125,600		1,280,000
Tirhoot Railway Extensions	220,000		600,000
Rutlam Ujjain	—1,500		—
TOTAL	1,389,100		1,930,000
TOTAL COMPANIES' AGENCY	2,153,600		3,375,500
TOTAL ALLOTMENTS	5,802,400		6,649,900
Deduct,—Lapses anticipated on ordinary grants	—34,700		—
Add,—Reserve	—		50,100
TOTAL	5,767,700		6,700,000
	Rx	Rx.	
Deduct,—Amount available from debentures raised by East Indian Railway Company	1,437,000	662,100	
Provision for expenditure in England on Assam-Bengal Railway	510,800	199,300	
	1,947,800		861,400
TOTAL GRANT FROM IMPERIAL FUNDS	3,819,900		5,838,600

49.—Irrigation—Construction.

198. The figures of the Accounts and Estimates for Capital Expenditure on Irrigation Works not charged to Revenue are :—

Accounts, 1893–94.	Accounts, 1894–95.	Accounts, 1895–96.	1896–97.		Budget, 1897–98.
			Budget.	Revised.	
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
681,684	594,145	699,968	750,000	737,500	750,000

The difference of Rx. 12,500 between the Budget and Revised Estimates of 1896–97 has been transferred to 48.—State Railways. The Budget Estimate for 1897–98 provides for Rx. 70,000 for the Mandalay Canal in Upper Burma, which was commenced towards the end of 1896–97.

Section VI.—WAYS AND MEANS.—HOME TREASURY.

199. The following are the usual details of the Home Treasury transactions :—

	Budget, 1896–97.	Revised, 1896–97.	Budget, 1897–98.
Receipts.	£.	£.	£.
Council Bills	16,500,000	15,300,000	13,000,000
Permanent Debt incurred	2,400,000	2,400,000	3,500,000
Temporary Debt „	2,000,000	1,500,000	2,000,000
Capital Receipts from Railway Companies—			
For Discharge of Debt	1,732,900	871,200	2,441,400
For Expenditure	1,219,100	3,072,100	2,053,000
Deposits and Advances, net	4,900	—400	1,400
Add,—Opening Balance	3,794,724	3,393,798	2,814,698
Total £.	27,651,624	26,536,698	25,810,498
Outgoings.			
Excess of Expenditure over Revenue	15,735,300	15,561,200	15,915,500
Expenditure not charged to Revenue	1,247,100	1,095,500	1,083,100
Permanent Debt discharged	2,313,700	2,318,800	—
Temporary Debt „	2,000,000	2,500,000	1,000,000
Issues to Railway Companies on Capital Account—			
For Discharge of Debt	1,732,900	871,200	2,441,400
For Expenditure	1,847,200	1,525,900	2,370,700
Remittances from India, net—			
(*a*) Railway Companies' Remittances	117,200	—194,300	500,500
(*b*) Family and other remittances	194,100	43,700	228,000
Add,—Closing Balance	2,463,824	2,814,698	2,271,298
Total £.	27,651,624	26,536,698	25,810,498

200. In

1896-97. General Summary.

200. In the Budget Estimate of 1896–97, the net disbursements of the Home Treasury, excluding Loans and Council Bills, were taken at 17,917,200*l.*; it was proposed to provide 16,500,000*l.* of this by the sale of Bills on India, and to meet 1,330,900*l.*, by a reduction of cash balances. Owing to the heavy loss of Land Revenue caused by the scarcity in November and December last, and the large expenditure on Famine Relief during this cold weather, the Secretary of State, at the request of the Government of India, reduced the scale of his drawings, and it is now expected that the total drawings in the current year will be less than the original estimate by 1,200,000*l.* The cash balances in the Home Treasury on 1st April 1896 were also less than the estimate by 400,926*l.*, owing mainly to a decrease in the drawings at the end of 1895–96. The reduction thus amounted to 1,600,926*l.* On the other hand, the net disbursements during 1896–97 are expected to be lower than the original estimate by 2,956,900*l.*, in consequence chiefly of large receipts from railway companies. The new Burma Railway Company has paid in subscribed capital to the extent of 1,836,500*l.*, and the East Indian Railway Company has issued additional debentures for 400,000*l.* There have also been the usual savings on the Estimates of Expenditure both by the Government and the railway companies. This improvement in his cash balance enables the Secretary of State to discharge without replacing 1,000,000*l.* out of the 2,000,000*l.* of the 12 months' India Bills which fell due this year. The payment of that 1,000,000*l.* reduces the cash balance of 31st March 1897, so that it will exceed the Budget Estimate by 350,874*l.* only.

1896-97. Sterling Loans.

201. No increase to the sterling debt has been made in 1896-97, but, in accordance with the intention announced in paragraph 173 of the last Financial Statement, India Stock for 2,400,000*l.* was issued in April 1896 in order to discharge 2,000,000*l.* India Debentures and 313,700*l.* South Indian Railway Debentures. Taking advantage of the favourable state of the money market, the Secretary of State decided to issue the new Stock at 2½ per cent., and tenders for the loan were invited on 28th April 1896. The result was satisfactory; the total amount tendered was more than 6,000,000*l.*; the average rate at which the loan was raised was 103*l.* 0*s.* 6*d.* per cent., and the minimum rate of accepted tenders 102*l.* 16*s.*

Temporary Debt.

202. It was the original intention to issue an equivalent amount of new India Bills to repay temporary debt (India Bills) falling due in the year; but, as above explained, it has not been necessary to do this to the full amount, and according to the present programme only 1,000,000*l.* will be raised and 2,000,000*l.* discharged during the year, the additional 1,000,000*l.* being met from cash balances. A sum of 500,000*l.*, which was borrowed temporarily on the security of East India Bonds, was repaid within the year.

Capital of Railway Companies.

203. The net issues to Railway Companies during 1896–97 were taken in the Budget Estimates at 628,100*l.*, but it is now estimated that there will be a net receipt from the Companies of 1,546,200*l.* The following are the details :—

	Budget.	Revised.
RECEIPTS.		
Subscribed capital—	£.	£.
(*a*) State Lines	1,399,000	2,783,100
(*b*) Guaranteed Lines	1,550,000	1,153,500
Miscellaneous	3,000	6,700
TOTAL	2,952,000	3,943,300
ISSUES.		
For discharge of debentures—		
(*a*) State Railways	582,900	126,800
(*b*) Guaranteed Lines	1,150,000	744,400
For Stores, Establishment Charges, &c.—		
(*a*) State Railways	1,080,200	1,012,700
(*b*) Guaranteed Lines	767,000	513,200
TOTAL	3,580,100	2,397,100

Of the total new capital of 2,949,000*l.* entered in the Budget Estimate, the sum of 1,732,900*l.* was intended for discharge of debentures, leaving 1,216,100*l.* as required for expenditure. Some of the debentures have been renewed instead of being discharged, but the new capital for expenditure according to the Revised Estimate amounts to 3,065,400*l.* This large increase of 1,849,300*l.* over the Budget Estimate is due to the formation of a new company to take up the Burma Railway from 1st September 1896. As already stated in paragraph 200, the total receipts from this company on account of subscribed capital are estimated at 1,836,500*l.*

The requirements of the railway companies for stores, establishment charges, &c., were overestimated, and the programmes of the companies are always liable to important changes.

Railway Companies' Remittances.

204. The railway companies whose transactions are above dealt with have separate capital deposit accounts in England, and funds withdrawn in England are directly brought to account in the Home Treasury. But closely connected with these are the remittance transactions of railway companies working State lines in India, such as the East Indian, the South Indian, and the Rajputana-Malwa Railways. Advances are made to these companies in England for the purchase of stores, &c., and the advances adjusted in India by debit to the Revenue Accounts of the lines, but funds raised for capital expenditure by the East Indian Railway Company under the authority of the East Indian Railway Company's Act are also treated as remittances. The estimate of the remittances of the companies was taken at 117,200*l.* in the Budget Estimate, but in the Revised Estimate there is entered a net receipt in England of 194,300*l.* The following are the details of the transactions :—

	Budget.	Revised.
	£.	£.
Advances for Purchase of Stores—		
East Indian Railway - - - -	360,000	407,500
Rajputana-Malwa Railway - - -	50,000	43,600
South Indian Railway - - - -	92,300	58,300
Bengal and North-Western Railway -	16,900	101,400
£.	519,200	610,800
East Indian Railway Debentures - -	400,000	802,500
Transfer Fees, &c. - - - - - -	2,000	2,600
£.	402,000	805,100
Net Remittance from India - - £.	117,200	—194,300

The net improvement in the receipts of 311,500*l.* is due to the issue of 400,000*l.* additional debentures by the East Indian Railway Company.

Family and other Remittances.

205. The net payments on account of family and other remittances from India will be 150,700*l.* less than the Budget Estimate, owing mainly to the recovery from Her Majesty's Imperial Government of the extra charges connected with the employment of Indian native troops at Suakin.

1897-98. Home Treasury, Ways and Means.

206. The net disbursements at the Home Treasury in 1897-98, excluding loans and council bills, are estimated at 18,043,400*l.* It is not, however, possible for the Government of India to supply the whole of this amount by means of Council Bills next year, and the Secretary of State has, with reference to the probable famine requirements in India, and to the expenditure on railway construction, reduced his estimate of drawings to 13,000,000*l.* The reduced drawings will be supplemented by a sterling loan of 3,500,000*l.* to be raised by the issue of India stock and by a temporary loan of 2,000,000*l.*, of which 1,000,000*l.*

1,000,000*l.* will replace a like amount of India bills issued in the current year, and the other 1,000,000*l.* will replace the amount of India bills which it was possible, as above explained, to discharge without replacement this year. The last amount will be additional debt so far as the year 1897–98 is concerned.

According to the programme now announced, the net disbursements of the Home Treasury will be met, in the year 1897–98, by the sale of bills on India of 13,000,000*l.*, by the creation of additional sterling debt to the extent of 4,500,000*l.*, and by a reduction in the cash balances of 543,400*l.*

207. It should be understood that, in stating the present intentions of the Secretary of State, no sort of pledge is given that he will adhere to the programme.

India.

208. The following is a summary of the Estimate of Ways and Means in India :— **Ways and Means in India.**

	1896-97.		1897-98.
	Budget.	Revised.	Budget.
RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of Revenue in India over the Expenditure charged against it - -	27,928,300	23,844,700	23,955,700
2. Rupee Loan - - - - - - -	4,000,000	6,048,700	4,000,000
3. Increase of the Unfunded Debt, mostly Savings Bank Deposits, net - -	831,100	— 317,300	502,400
4. Other items, net - - - - - -	474,500	— 655,700	21,700
5. *For Remittance to Secretary of State, net:*			
(a) *Railway Companies' Remittances* -	117,200	— 194,300	500,500
(b) *Other Remittances* - - -	178,500	50,800	213,000
Add,—Opening Balance - -	16,500,488	16,500,510	13,465,810
TOTAL - - -	50,029,888	45,277,410	42,659,110
OUTGOINGS.			
6. Excess Expenditure charged to Provincial Balances - - - - - - -	886,400	1,228,500	1,190,000
7. Expenditure not charged to Revenue -	4,080,000	2,738,800	4,790,600
8. Rupee Debt discharged - - - -	275,000	717,000	575,100
9. Loans to Municipalities, &c., net - -	406,100	764,700	245,400
10. *Issues on Capital Account to Railway Companies, net* - - - - - -	1,526,400	964,600	956,300
11. Council Bills—*Sterling Amount* - -	16,503,400	15,288,300	13,025,300
12. Ditto Exchange - - -	12,296,600	10,109,700	8,554,700
Add,—Closing Balance - -	14,055,988	13,465,810	13,321,710
TOTAL - - -	50,029,888	45,277,410	42,659,110

The headings in *italics* are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

 209. The

1896-97. General Summary.

209. The net revenues in India were taken in the Budget Estimate of 1896–97 at Rx. 27,928,300, but, owing to heavy loss of revenue and increase in expenditure caused by the famine, they are now estimated to yield only Rx. 23,844,700. This large deficiency of Rx. 4,083,600 in the revenues is further increased by withdrawals from the savings banks and increased loans for famine relief purposes. The savings bank transactions are expected to result in a net withdrawal of Rx. 241,100, against a net receipt of Rx. 750,800 entered in the Budget Estimate, and the net amount of loans will exceed that estimate by Rx. 358,600. The total diminution of the cash balances under the three heads mentioned thus amounts to Rx. 5,434,100. The deficiency is met chiefly by a reduction in Council bill payments of Rx. 3,402,000, and the issue of a loan, not contemplated in the Budget Estimates, for Rx. 2,048,700. for the investment of two crores of the currency reserve. The year is now expected to close with a cash balance of Rx. 13,465,810.

1897-98. Main features.

210. The important disbursements, in India and England taken together, for which we have to provide in 1897-98, otherwise than from the revenues of the year, are (1) the deficit in the Revenue Account, both on Imperial and Provincial Account, (2) the capital expenditure of Government not charged to revenues, and (3) the advances to railway companies for capital expenditure. The deficit in the Revenue Account, including the expenditure of the Provincial Governments from balances, is estimated at Rx. 3,654,000. The total estimate of capital expenditure by the Government not charged to revenue amounts to Rx. 6,588,600, including Rx. 1,130,700 on account of the Assam-Bengal Railway, Rx. 537,900 for the East Indian Railway, and Rx. 600,000 for the Tirhoot Railway extension; and we have undertaken to advance in 1897–98 Rx. 1,174,500 to the Indian Midland and Bengal-Nagpur Railways for expenditure in India on new extensions. The total of the disbursements above mentioned amounts to Rx. 11,417,100. Our cash balances are now reduced to as low a level as is consistent with our requirements in the months of minimum balance, November and December, and they cannot be drawn upon to meet any substantial portion of the above sum. We must, therefore, have recourse to loans; and it is intended to raise Rx. 4,000,000 by a rupee loan in India, and to meet the remainder of the liability by the sterling loans in England mentioned in paragraph 206, the Secretary of State's drawings being reduced.

Rupee Loan of 1896-97.

211. It was announced in paragraph 178 of the last Financial Statement that a new loan of Rx. 4,000,000 would be raised in India in 1896-97. This loan was issued on 22nd June, and tenders for it were received on 22nd July. The favourable state of the money market at the time enabled the Government to issue the loan at 3 per cent., and in spite of the reduced rate of interest the average price of the loan was Rs. 103. 1. $10\frac{1}{2}$. per cent.

Conversion and discharge of unguaranteed $3\frac{1}{2}$ per cent. loans.

212. As the price of the new 3 per cent. loan remained above par for some time after its issue, it was decided to offer the balance of the unguaranteed $3\frac{1}{2}$ per cent. loans, amounting to Rx. 5,684,950, for conversion into the new loan. Accordingly, by Notification No. 3850, dated 4th September 1896, the $3\frac{1}{2}$ per cent. loans of 1853–54 and 1893–94 were notified for discharge on 30th January 1897, and the option was given to holders of notes of the $3\frac{1}{2}$ per cent. loans to tender them for transfer to the 3 per cent. loan of 1896–97 by 2nd October 1896. The amount of the $3\frac{1}{2}$ per cent. loans transferred to 3 per cents in exercise of this option was Rx. 4,887,160, leaving Rx. 797,790 to be discharged. Provision has been made in the present Estimates for the discharge of Rx. 360,000 in 1896–97, and Rx. 350,000 in 1897–98.

Addition to currency investment.

213. The question of increasing the investment of the Government currency reserve by two crores of rupees had been considered by the Government last year, and it was in contemplation to make the necessary change in the Paper Currency Act in the present Session. As soon as it was ascertained, towards the middle of October, that the famine would entail heavy loss of revenue and increase in expenditure, we were compelled to ask the Secretary of State to reduce his drawings. The Secretary of State announced the necessary reduction, and this, combined with low Government balances and other causes, produced considerable tightness in the money market in November and December. To relieve this tightness by making available to the commercial public,

public, through increased Council bill drawings and through the Presidency Banks, the additional two crores which the measure would set free from the currency reserve, Act XXI. of 1896 was passed on 17th December, and Government promissory notes for Rx. 2,048,650 of the 3 per cent. loan were issued to the Currency Department on the 18th December 1896 (*see* Notifications Nos. 5366 and 5367 of the latter date).

New rupee loan.

214. The balance of the 3 per cent. loan on 31st March 1897 will be Rx. 10,935,860, and, as already stated, it is the present intention to increase that balance by the issue of a new loan for Rx. 4,000,000 in 1897–98. Although this is the present intention, full liberty is reserved, as usual, to alter the programme as now announced to any extent that may be considered desirable.

Savings banks, &c.

215. The following table gives the details of the transactions of savings banks during the last few years, and the estimated transactions for 1896–97 and 1897–98 :—

Year.	Net Additions to Deposits, Cash.	Interest.	Total Addition.
	Rx.	Rx.	Rx.
1888–89 - - - - - - - -	685,200	261,800	947,000
1889–90 - - - - - - - -	— 362,900	272,200	— 90,700
1890–91 - - - - - - - -	250,700	279,700	530,400
1891–92 - - - - - - - -	517,900	306,200	824,100
1892–93 - - - - - - - -	548,900	339,400	888,300
1893–94 - - - - - - - -	179,900	368,000	547,900
1894–95 - - - - - - - -	— 84,500	297,000	212,500
1895–96 - - - - - - - -	247,700	338,500	586,200
1896–97, Budget - - - - -	422,000	328,800	750,800
1896–97, Revised - - - - -	— 589,600	348,500	— 241,100
1897–98, Budget - - - - -	78,000	350,000	428,000

The high price of food grains and the prevalence of distress have probably caused withdrawals from savings banks in the current year. It should be noted, however, that Rx. 230,000 of net additions in 1895–96, and the same amount of net withdrawals of 1896–97, should be taken against each other, being transactions on account of a large provident fund which for a time was held on savings bank account. Corrected for this the figures for the three years stand :—

	Rx.
1894–95 - - - - - - - -	— 84,500
1895–86 - - - - - - - -	+ 17,700
1896–97, Revised - - - - - -	— 359,600

For 1897–98 no increase in the net deposits in post office savings banks is anticipated ; but the normal addition to the several departmental provident funds are taken into account.

Loans by Government.

216. The net issues on account of loans by the Government to municipalities, &c. in 1896–97 are now expected to be Rx. 764,700, against Rx. 406,100 entered in the Budget Estimate, an increase of Rx. 358,600. This increase is the difference between the increases in the gross advances of Rx. 436,800 and in the recoveries of Rx. 78,200. The increased advances represent loans to agriculturists and others in provinces affected by famine and scarcity ; the additional grants for such advances sanctioned by the Government of India during the year amounted to Rx. 663,000. Provision has been made in the Budget

Estimate of 1897–98 for net issues on account of loans to the extent of Rx. 245,400. According to estimates furnished by the several Local Governments, large amounts may be usefully spent in the provinces by municipalities and other local bodies on drainage and waterworks, but the Government of India have not been able to provide for the whole of the requirements out of their balances in 1897–98. This inability is due to the fact that we are obliged to provide fully, as a first claim upon our resources, for the whole amount of advances and loans required in connection with the famine or plague, and that after providing for such requirements there is no margin of available funds to be lent to local bodies for ordinary works of public improvement. If funds are urgently required for such works in 1897–98, the local authorities concerned will, it is hoped, be able to raise them directly in the open market.

Cash balance

217. The year 1897–98 is estimated to close with a cash balance in the Indian Treasuries of Rx. 13,321,710, which is less than the opening balance of the year by Rx. 144,100 only.

SECTION VII.—SUMMARY.

218. The principal features in this Statement are:—

(1.) The Accounts of 1895–96 closed with a surplus of Rx. 1,533,998.

(2.) The Revised Estimates of 1896–97 show a deficit of Rx. 1,986,900. The cause of the deficit is the failure of the monsoon and the consequent scarcity and famine. There is a direct expenditure on famine relief of Rx. 1,965,700; the scarcity has also caused a loss of land revenue of Rx. 2,432,100, a loss of railway revenue of Rx. 1,420,000, and smaller losses under other heads of revenue, as well as increases of expenditure under many of the ordinary heads. In Bombay the plague has been added to the famine, and joined with it in bringing about these losses. In addition, there is a loss of opium revenue of Rx. 508,600, caused by a fall in the price realised for Bengal opium and a reduction in the exports of Malwa opium. On the other hand, the rise in the rate of exchange from 13¾*d.* to 14·46*d.* the rupee secures a saving of Rx. 1,329,700 in the exchange on sterling payments.

(3.) The Budget Estimates of 1897–98 show a deficit of Rx. 2,464,000. The famine accounts for this deficit also.

(4.) The expenditure on famine relief is estimated at Rx. 3,641,200; the loss of land revenue at Rx. 436,500; the loss of railway revenue at Rx. 901,300; and the famine also causes other losses of revenue and increases of expenditure.

(5.) The loss of opium revenue amounts to Rx. 1,079,100.

(6.) The rise in the rate of exchange from 13¾*d.* to 14·46*d.* the rupee will secure a saving of Rx. 1,360,000 in the exchange on sterling payments, as well as savings in the pay of the British troops and in the cost of exchange compensation allowances. There will also be a considerable reduction in the military expenditure, as the heavy expenditure on preparations for mobilisation which was specially provided for in 1896–97 will not recur.

(7.) The

(7.) The capital expenditure on railways is expected to be as follows :—

	1896–97.	1897–98.
	Rx.	Rx.
On State railways (including expenditure on the East Indian Railway and the Assam-Bengal Railway from capital raised by the companies) - - - - - - -	5,767,700	6,700,000
On railways of the companies under contract with the Government from funds raised by them - - - - - - - -	2,990,600	3,430,000
On railways of companies outside the Government Accounts, and branch lines -	2,470,200	3,283,800
Rx.	11,228,500	13,413,800

(8.) It is expected that the Secretary of State will sell Council bills for 15,300,000*l.* in 1896–97, and for 13,000,000*l.* in 1897–98.

(9.) In 1896–97 the Secretary of State raised a loan of 2,400,000*l.* by the issue of 2½ per Cent. India Stock to discharge debentures which fell due; and he paid off India bills falling due in the year for 2,000,000*l.*, and issued India bills for 1,000,000*l.* In 1897–98 he intends to raise a loan of 3,500,000*l.* by the issue of India Stock, to issue India bills for 2,000,000*l.*, and to pay off India Bills falling due for 1,000,000*l.*

(10.) These announcements are accompanied by the usual reservation of entire liberty to the Secretary of State to vary the amounts to be obtained by bills or raised by loans, as he may find occasion.

(11.) The Government of India raised a public loan of Rx. 4,000,000 in 1896–97 at 3 per cent., and also issued new 3 per cent. paper to the Head Commissioner of Paper Currency, for the investment of Rx. 2,000,000 of the currency reserve authorised by Act XXI. of 1896, passed on 17th December. It is intended to raise a loan for Rx. 4,000,000 in 1897–98. Full liberty is, however, reserved to the Government of India to vary this intention in any way and to any extent which may be expedient. The 3½ per cent. loan of 1893–94 was successfully converted to 3 per cent. in 1896–97.

(12.) The Government of India are for the time in serious financial difficulties caused by the famine. When that calamity and the plague in Bombay and Sind shall have passed away, the Government will, it is hoped, be found to be in a strong financial position.

Calcutta, 19 March 1897. *J. Westland.*

APPENDIX I.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1895-96.
REVISED ESTIMATES - - -	1896-97.
BUDGET ESTIMATES - - -	1897-98.

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LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Details *vide* Statement.	RECEIPTS.			
		Accounts, 1895-96.	Budget Estimate, 1896-97.	Revised Estimate, 1896-97.	Budget Estimate, 1897-98.
REVENUE:		*Rs.*	*Rx.*	*Rx.*	*Rx.*
Principal Heads of Revenue:					
Land Revenue	A.	26,200,955	26,093,300	23,699,200	25,646,200
Opium	„	7,123,922	6,895,300	6,386,700	5,816,200
Salt	„	8,861,845	8,700,000	8,438,200	8,734,000
Stamps	„	4,727,055	4,732,700	4,771,500	4,836,500
Excise	„	5,722,417	5,744,700	5,613,200	5,679,100
Customs	„	5,017,278	4,481,900	4,516,700	4,491,900
Other Heads	„	8,419,869	8,566,300	8,512,000	8,570,700
TOTAL PRINCIPAL HEADS	–	66,073,341	65,214,200	61,937,500	63,774,600
Interest	A.	825,052	848,300	1,087,300	841,300
Post Office, Telegraph, and Mint	„	2,840,353	2,914,300	2,992,000	2,982,800
Receipts by Civil Departments	„	1,684,522	1,657,800	1,687,000	1,689,200
Miscellaneous	„	1,095,914	975,900	1,076,900	1,023,100
Railways	„	21,859,189	21,583,200	20,159,900	20,682,400
Irrigation	„	2,299,953	2,883,300	3,200,700	3,122,500
Buildings and Roads	„	713,832	664,600	697,700	679,600
Receipts by Military Department	„	978,011	879,100	964,800	881,300
TOTAL REVENUE	–	98,370,167	97,620,700	93,803,800	95,676,800
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net Incurred)	C.	—	3,811,300	5,412,900	6,924,900
Temporary Debt (net Incurred)	„	—	—	—	1,000,000
Unfunded Debt (net Incurred)	„	739,047	831,100	—	502,400
Deposits and Advances (net)	„	—	—	—	1,497,500
Loans and Advances by Imperial Government (net Receipts)	„	—	57,900	42,400	91,500
Capital of Railway Companies (net Receipts)	„	—	—	581,600	—
Remittances (net)	„	80,502	—	297,100	—
Secretary of State's Bills drawn	„	17,664,492	16,500,000	15,300,000	13,000,000
TOTAL RECEIPTS	–	116,854,208	118,821,000	115,437,800	118,693,100
Balance on 1st April—India *Rx.*	–	22,529,488	16,500,488	16,500,510	13,465,810
England *£.*	–	2,503,124	3,794,724	3,393,798	2,814,698
GRAND TOTAL	–	141,886,820	139,116,212	135,332,108	134,973,608

Fort William, Finance and Commerce Department,
19 March 1897.

W. H. Dobbie,
Officiating Deputy Comptroller General.

REVENUE and EXPENDITURE and RECEIPTS and DISBURSEMENTS of the in INDIA and in ENGLAND.

	For Details *vide* Statement.	DISBURSEMENTS. Accounts, 1895-96.	Budget Estimate, 1896-97.	Revised Estimate, 1896-97.	Budget Estimate, 1897-98.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	10,351,257	11,156,900	10,907,600	11,229,400
Interest	„	4,044,799	3,676,700	3,456,100	3,550,000
Post Office, Telegraph, and Mint	„	2,594,880	2,733,500	2,728,400	2,891,200
Salaries and Expenses of Civil Departments	„	15,172,860	15,399,500	15,383,300	15,467,800
Miscellaneous Civil Charges	„	5,933,332	6,030,300	5,862,900	5,913,000
Famine Relief and Insurance	„	586,485	598,500	2,012,900	3,666,200
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	„	7,661	14,500	14,000	7,300
Railway Revenue Account	„	23,479,457	23,857,500	22,970,100	23,499,200
Irrigation	„	2,976,311	3,203,600	3,251,600	3,111,700
Buildings and Roads	„	5,810,512	6,140,600	6,013,200	5,780,100
Army Services	„	25,398,157	25,174,900	24,295,600	24,195,500
Special Defence Works	„	101,349	57,500	123,500	19,400
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	96,457,060	98,044,000	97,019,200	99,330,800
Add,—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B.	548,902	1,200	—	9,200
Deduct,—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances	„	*169,793*	*887,600*	*1,228,300*	*1,199,200*
TOTAL EXPENDITURE charged against REVENUE	–	96,836,169	97,157,600	95,790,700	98,140,800
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	4,087,194	6,256,700	4,557,400	6,588,600
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net Discharged)	C.	586,412	—	—	—
Temporary Debt (net Discharged)	„	—	—	1,000,000	—
Unfunded Debt (net Discharged)	„	—	—	317,300	—
Deposits and Advances (net)	„	1,316,042	44,100	1,290,800	
Loans and Advances by Imperial Government (net Advances)	„	74,446	—	—	—
Loans and Advances by Provincial Governments (net Advances)	„	164,097	464,000	807,100	336,900
Capital of Railway Companies (net Payments)	„	185,937	2,154,500	—	1,274,000
Remittances (net)	„	—	16,100	—	15,000
Secretary of State's Bills paid	„	18,742,215	16,503,400	15,288,300	13,025,300
TOTAL DISBURSEMENTS	–	121,992,512	122,596,400	119,051,600	119,380,600
Balance on 31st March—India *Rx.*	–	16,500,510	14,055,988	13,465,810	13,321,710
England £.	–	3,393,798	2,463,824	2,814,698	2,271,298
GRAND TOTAL	–	141,886,820	139,116,212	135,332,108	134,973,608
		Rx.	*Rx.*	*Rx.*	*Rx.*
Revenue		98,370,167	97,620,700	93,803,800	95,676,800
Expenditure chargeable thereon		96,836,169	97,157,600	95,790,700	98,140,800
Surplus (+) Deficit (—)		1,533,998	463,100	*—1,986,900*	*—2,464,000*

A. F. Cox,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1895-96. India. Imperial.	India. Provincial and Local.	England.	Exchange,* 13·6381*d.*	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	16,247,110	9,953,845	- -	- -	26,200,955	14,541,600	9,157,600
II.—Opium	7,123,922	- -	- -	- -	7,123,922	6,386,700	- -
III.—Salt	8,821,252	40,593	- -	- -	8,861,845	8,403,800	34,400
IV.—Stamps	1,248,495	3,478,560	- -	- -	4,727,055	1,264,000	3,507,500
V.—Excise	4,334,984	1,387,433	- -	- -	5,722,417	4,255,300	1,357,900
VI.—Provincial Rates	4,056	3,702,949	- -	- -	3,707,005	4,100	3,533,900
VII.—Customs	4,987,603	29,675	- -	- -	5,017,278	4,487,000	29,700
VIII.—Assessed Taxes	1,045,962	789,227	- -	- -	1,835,189	1,050,000	805,500
IX.—Forest	959,589	700.915	- -	- -	1,660,504	1,042.800	725,700
X.—Registration	213,816	211,054	- -	- -	424,870	225,400	222,100
XI.—Tributes from Native States	792,301	- -	- -	- -	792.301	902,500	- -
Total	45,779,090	20,294,251	- -	- -	66,073,341	42,563,200	19,374,300
XII.—INTEREST	641,710	159,557	13,516	10,269	825,052	760,900	158,000
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,704,786	8,709	- -	- -	1,713,495	1,763,900	8,900
XIV.—Telegraph	1,075,851	- -	5,733	4,356	1,085,940	1,071,900	- -
XV.—Mint	40,895	- -	12	10	40,918	141,000	- -
Total	2,821,532	8,709	5,746	4,366	2,840,353	2,976,800	8,900
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	22,125	355,749	- -	- -	377,874	22,700	336,900
XVI.—Law and Justice { Jails	40,121	272,177	- -	- -	312,298	38,900	274,100
XVII.—Police	17.043	400,849	- -	- -	417,892	19,300	414,500
XVIII.—Marine	25,854	143,520	- -	- -	169,374	32,100	131,700
XIX.—Education	1,998	217,725	- -	- -	219,723	2,300	222,300
XX.—Medical	376	80,402	1,862	1,415	84,055	500	80,600
XXI.—Scientific and other Minor Departments.	11,185	91,268	485	368	103,306	11,600	87,200
Total	118,702	1,561,690	2,347	1,783	1,684,522	127,400	1,556,300
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	156,920	47,393	96,901	73,622	374.836	149,400	43,900
XXIII.—Stationery and Printing	32,449	51,838	- -	- -	84,287	35,800	55,400
XXIV.—Exchange	178,306	- -	- -	- -	178,306	181,400	- -
XXV.—Miscellaneous	111,374	338,935	4,646	3,530	458,485	107,300	323,600
Total	479,049	438,166	101,547	77,152	1,095,914	473,900	422,900
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	17,414,849	1,143,445	230	175	18,558,699	16,907,800	1,216,900
XXVII.—Guaranteed Companies (Net Traffic Receipts)	3,275,238	- -	- -	- -	3,275,238	2,610,000	- -
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	25,252	- -	- -	- -	25,252	24,900	- -
Total	20,715,339	1,143,445	230	175	21,859,189	18,942,700	1,216,900
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	759,935	519,473	- -	- -	1,279,408	1,164,200	932,000
Portion of Land Revenue due to Irrigation	821,664	- -	- -	- -	821,664	891,900	- -
XXX.—Minor Works and Navigation	50,686	148,195	- -	- -	198,881	51,200	161,400
Total	1,632,285	667,668	- -	- -	2,299,953	2,107,300	1,093,400
BUILDINGS AND ROADS:							
XXXI.—Military Works	49,699	- -	- -	- -	49,699	61,100	- -
XXXII.—Civil Works	22,913	597,712	24,724	18,784	664,133	16,300	577,000
Total	72,612	597,712	24,724	18,784	713,832	77,400	577,000
RECEIPTS BY MILITARY DEPARTMENT:							
XXXIII.—Army: Effective	751,979	- -	65,450	49,727	867,156	744,600	- -
Non-effective	93,509	- -	9,857	7,489	110,855	91,700	- -
Total	845,488	- -	75,307	57,216	978,011	836,300	- -
TOTAL REVENUES	73,105,807	24,871,198	223,417	169,745	98,370,167	68,865,900	24,407,700

*The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, Exchange thereon calculated in accordance with the average rate obtained, or estimated to be obtained, for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1896-97.			Increase + Decrease — of Revised as compared with Budget Estimates, 1896–97. (Excluding Exchange.)	BUDGET ESTIMATE, 1897–98.					Increase + Decrease — of Budget, 1897–98, as compared with Budget Estimates, 1896–97. (Excluding Exchange.)	Increase + Decrease — of Budget, 1897–98, as compared with Revised Estimates, 1896–97. (Excluding Exchange.)
				India.						
England.	Exchange.* (£. 1 = *Rs.* 16·6.)	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* (£. 1 = *Rs.* 16·6.)	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	23,699,200	— 2,394,100	14,934,300	10,711,900	- -	- -	25,646,200	— 447,100	+1,947,000
- -	- -	6,386,700	— 508,600	5,816,200	- -	- -	- -	5,816,200	—1,079,100	— 570,500
- -	- -	8,438,200	— 261,800	8,714,600	19,400	- -	- -	8,734,000	+ 34,000	+ 295,800
- -	- -	4,771,500	+ 38,800	1,253,300	3,583,200	- -	- -	4,836,500	+ 103,800	+ 65,000
- -	- -	5,613,200	— 131,500	3,846,100	1,833,000	- -	- -	5,679,100	— 65,600	+ 65,900
- -	- -	3,538,000	— 131,800	4,200	3,617,500	- -	- -	3,621,700	— 48,100	+ 83,700
- -	- -	4,516,700	+ 34,800	4,463,700	28,200	- -	- -	4,491,900	+ 10,000	— 24,800
- -	- -	1,855,500	+ 12,300	1,043,600	806,700	- -	- -	1,850,300	+ 7,100	— 5,200
- -	- -	1,768,500	+ 36,200	905,400	850,800	- -	- -	1,756,200	+ 23,900	— 12,300
- -	- -	447,500	+ 18,700	221,400	219,500	- -	- -	440,900	+ 12,100	— 6,600
- -	- -	902,500	+ 10,300	901,600	- -	- -	- -	901,600	+ 9,400	— 900
- -	- -	61,937,500	— 3,276,700	42,104,400	21,670,200	- -	- -	63,774,600	—1,439,600	+1,837,100
101,400	67,000	1,087,300	+ 175,700	657,300	175,700	5,000	3,300	841,300	— 6,600	— 182,300
- -	- -	1,772,800	+ 2,100	1,818,400	8,900	- -	- -	1,827,300	+ 56,600	+ 54,500
3,800	2,500	1,078,200	— 26,900	1,081.000	- -	4,200	2,800	1,088,000	— 17,400	+ 9,500
- -	- -	141,000	+ 103,800	67,500	- -	- -	- -	67,500	+ 30,300	— 73,500
3,800	2,500	2,992,000	+ 79,000	2,966,900	8,900	4,200	2,800	2,982,800	+ 69,500	— 9,500
- -	- -	359,600	— 22,400	8,500	360,300	- -	- -	368,800	— 13,200	+ 9,200
- -	- -	313,000	— 1,700	32,000	303,300	- -	- -	335,300	+ 20,600	+ 22,300
- -	- -	433.800	+ 21,100	1,500	422,900	- -	- -	424,400	+ 11,700	— 9,400
- -	- -	163,800	+ 20,200	10,000	130,300	- -	- -	140,300	— 3,300	— 23,500
- -	- -	224,600	+ 1,600	1,900	230,500	- -	- -	232,400	+ 9,400	+ 7,800
1,700	1,100	92,900	+ 11,100	200	84,700	1,600	1,100	87,600	+ 5,800	— 5,300
300	200	99,300	— 600	9,700	90,200	300	200	100,400	+ 500	+ 1,100
2,000	1,300	1,687,000	+ 29,300	63,800	1,622,200	1,900	1,300	1,689,200	+ 31,500	+ 2,200
94,100	62,100	349,500	— 3,000	144,400	47,500	91,400	60,300	343,600	— 7,100	— 4,100
- -	- -	91,200	+ 1,300	27,000	57,600	- -	- -	84,600	— 5,300	— 6,600
- -	- -	181,400	+ 61,400	160,000	- -	- -	- -	160,000	+ 40,000	— 21,400
14,400	9,500	454,800	+ 39,400	97,100	333,600	2,500	1,700	434,900	+ 27,300	— 12,100
108,500	71,600	1,076,900	+ 99,100	428,500	438,700	93,900	62,000	1,023,100	+ 54,900	— 44,200
200	100	17,525,000	— 797,000	17,965,800	57,600	200	100	18,023,700	— 298,300	+ 498,700
- -	- -	2,610,000	— 623,000	2,630,000	- -	- -	- -	2,630,000	— 603,000	+ 20,000
- -	- -	24,000	— 3,200	28,700	- -	- -	- -	28,700	+ 600	+ 3,800
200	100	20,159,900	—1,423,200	20,624,500	57,600	200	100	20,682,400	— 900,700	+ 522,500
- -	- -	2,096,200	+ 352,500	1,086,100	882,000	- -	- -	1,968,100	+ 224,400	— 128,100
- -	- -	891,900	— 38,000	940,500	- -	- -	- -	940,500	+ 10,600	+ 48,600
- -	- -	212,600	+ 2,900	53,200	160,700	- -	- -	213,900	+ 4,200	+ 1,300
- -	- -	3,200,700	+ 317,400	2,079,800	1,042,700	- -	- -	3,122,500	+ 239,200	— 78,200
- -	- -	61,100	+ 11,100	50,000	- -	- -	- -	50,000	- -	— 11,100
26,100	17,200	636,600	+ 23,600	9,400	574,400	27,600	18,200	629,600	+ 15,600	— 8,000
26,100	17,200	697,700	+ 34,700	59,400	574,400	27,600	18,200	679,600	+ 15,600	— 19,100
65,000	42,000	852,500	+ 67,900	730,400	- -	29,200	19,300	778,900	+ 17,900	— 50,000
12,400	8,200	112,300	— 1,100	84,200	- -	11,000	7,200	102,400	— 10,000	— 8,900
77,400	51,100	964,800	+ 66,800	814,600	- -	40,200	26,500	881,300	+ 7,900	— 58,900
319,400	210,800	93,803,800	—3,897,900	69,799,200	25,590,400	173,000	114,200	95,676,800	—1,928,300	+ 1,969,600
		Add,—Increase on account of Exchange - - - *Rx.*	+ 81,000					*Deduct*,—Decrease on account of Exchange - - - - *Rx.*	— 15,600	— 96,600
		TOTAL, INCLUDING EXCHANGE - *Rx.*	—3,816,900					TOTAL, INCLUDING EXCHANGE *Rx.*	—1,943,900	—1,873,000

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1895-96. India. Imperial.	India. Provincial and Local.	England.	Exchange,* 13·6381*d.*	TOTAL.	REVISED India. Imperial.	India. Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	224,473	75,576	- -	- -	300,049	232,700	76,800
2.—Assignments and Compensations	512,739	1,041,980	- -	- -	1,554,719	517,600	1,051,700
Charges in respect of Collection, viz.:							
3.—Land Revenue	397,843	3,699,211	36	27	4,097,117	387,700	3,706,000
4.—Opium (including Cost of Production)	2,067,973	- -	550	418	2,068,941	2,503,900	- -
5.—Salt (including Cost of Production)	453,805	67,202	21	16	521,044	460,900	67,900
6.—Stamps	*—40,346*	135,504	43,492	33,044	171,694	*—41,200*	136,600
7.—Excise	157,454	50,390	64	49	207,957	161,000	51,500
8.—Provincial Rates	- -	52,675	- -	- -	52,675	- -	52,800
9.—Customs	76,809	125,984	88	67	202,948	79,400	122,600
10.—Assessed Taxes	14,985	14,883	- -	- -	29,868	15,200	15,100
11.—Forest	504,332	404,378	1,393	1,058	911,161	557,800	428,000
12.—Registration	117,058	116,026	- -	- -	233,084	119,800	118,800
Total	4,487,125	5,783,809	45,644	34,679	10,351,257	4,994,800	5,827,800
INTEREST:							
13.—Interest on Debt	3,731,433		3,821,599	2,903,534	10,456,566	3,745,000	
Deduct,—Amounts chargeable to Railways†	*3,686,287*		*1,198,904*	*910,890*	*5,796,081*	*3,865,200*	
,, Amounts chargeable to Irrigation	*1,222,409*		- -	- -	*1,222,409*	*1,253,400*	
Remainder chargeable on Ordinary Debt	*—1,304,812*	127,549	2,622,695	1,992,644	3,438,076	*—1,520,600*	147,000
14.—Interest on other Obligations	602,959	3,505	147	112	606,723	458,000	4,300
Total	*—701,853*	131,054	2,622,842	1,992,756	4,044,799	*—1,062,600*	151,300
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,336,306	119,784	106,666	81,042	1,643,798	1,402,600	125,300
16.—Telegraph	719,991	- -	101,071	76,791	897,853	759,000	- -
17.—Mint	52,404	- -	469	356	53,229	58,600	- -
Total	2,108,701	119,784	208,206	158,189	2,594,880	2,220,200	125,300
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	676,351	917,738	243,955	185,350	2,023,394	665,200	916,100
19.—Law and Justice { Courts	112,592	2,975,012	1,820	1,383	3,090,807	115,000	2,971,800
19.—Law and Justice { Jails	151,018	805,744	- -	- -	956,762	170,900	900,500
20.—Police	651,453	3,387,722	933	709	4,040,817	646,000	3,491,300
21.—Marine (including River Navigation)	181,342	145,410	236,599	179,761	743,112	200,200	165,600
22.—Education	29,772	1,504,500	1,260	957	1,536,489	32,900	1,525,700
23.—Ecclesiastical	192,135	- -	156	119	192,410	189,600	- -
24.—Medical	40,923	979,154	6,159	4,679	1,030,915	42,800	1,011,400
25.—Political	909,244	69,010	47,693	36,236	1,062,183	893,400	66,000
26.—Scientific and other Minor Departments	261,806	187,836	26,327	20,002	495,971	292,300	181,600
Total	3,206,636	10,972,126	564,902	429,196	15,172,860	3,248,300	11,230,000
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	437,250	- -	9,565	7,267	454,082	427,500	- -
28.—Civil Furlough and Absentee Allowances	793	- -	223,537	169,837	394,167	700	- -
29.—Superannuation Allowances and Pensions	86,433	882,713	1,817,694	1,381,029	4,167,869	88,900	912,200
30.—Stationery and Printing	113,621	491,597	45,443	34,526	685,187	132,300	484,800
32.—Miscellaneous	33,140	166,245	18,549	14,093	232,027	36,000	169,300
Total	671,237	1,540,555	2,114,788	1,606,752	5,933,332	685,400	1,566,300
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	- -	18,301	- -	- -	18,301	1,553,200	398,000
34.—Construction of Protective Railways	529,867	- -	- -	- -	529,867	- -	- -
35.—Construction of Protective Irrigation Works	38,317	- -	- -	- -	38,317	47,200	- -
Total ‡	568,184	18,301	- -	- -	586,485	1,600,400	398,000
Carried forward	10,340,030	18,565,629	5,556,382	4,221,572	38,683,613	11,686,500	19,298,700

* *See* foot-note to Statement A.

† Included under the following heads:—

	ACCOUNTS, 1895-96. India.	England.	Exchange.	TOTAL.
	Rx.	£.	*Rx.*	*Rx.*
State Railways, Interest on Debt	3,666,375	980,020	744,589	5,390,984
Interest chargeable against Companies on Advances	497	218,884	166,301	385,682
Interest on Capital deposited by Companies	19,415	- -	- -	19,415
TOTAL	3,686,287	1,198,904	910,890	5,796,081

‡ The following further sums, which are included under XXVI. and 38, State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the revenues on account of protective railways constructed through the agency of companies:—

	Accounts, 1895-96.	Revised Estimate, 1896-97.	Budget Estimate, 1897-98.
	Rx.	*Rx.*	*Rx.*
Indian Midland Railway	273,966	225,400	239,200
Bengal-Nagpur Railway	139,549	210,200	217,300
TOTAL	413,515	435,600	456,500

REVENUES of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1896-97.			Increase + Decrease — of Revised as compared with Budget Estimates, 1896-97. (Excluding Exchange.)	BUDGET ESTIMATE, 1897-98.					Increase + Decrease — of Budget, 1897-98, as compared with Budget Estimates, 1896-97. (Excluding Exchange.)	Increase + Decrease — of Budget, 1897-98, as compared with Revised Estimates, 1896-97. (Excluding Exchange.)
				India.						
England.	Exchange,* (£. 1 = *Rs.* 16·6.)	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange,* (£. 1 = *Rs.* 16·6.)	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	309,500	+ 10,700	222,400	76,200	- -	- -	298,600	— 200	— 10,900
- -	- -	1,569,300	+ 33,100	511,400	1,047,000	- -	- -	1,558,400	+ 22,200	— 10,900
400	300	4,094,400	— 81,500	105,900	4,059,800	600	400	4,166,700	— 9,300	+ 72,200
900	600	2,505,400	— 89,900	2,654,000	- -	400	300	2,654,700	+ 59,700	+ 149,600
200	100	529,100	— 37,700	515,200	54,500	300	200	570,200	+ 3,300	+ 41,000
41,000	27,100	163,500	— 6,200	— 42,600	139,900	29,800	19,700	146,800	— 15,500	— 9,300
200	100	212,800	— 8,800	136,800	74,400	100	100	211,400	— 10,200	— 1,400
- -	- -	52,800	— 3,800	- -	54,600	- -	- -	54,600	— 2,000	+ 1,800
- -	- -	202,000	— 5,300	82,400	128,300	- -	- -	210,700	+ 3,400	+ 8,700
- -	- -	30,300	— 1,100	16,500	16,200	- -	- -	32,700	+ 1,300	+ 2,400
8,500	5,600	999,900	— 47,400	563,400	509,600	1,900	1,200	1,076,100	+ 33,200	+ 80,600
- -	- -	238,600	— 5,800	124,300	124,200	- -	- -	248,500	+ 4,100	+ 9,900
51,200	33,800	10,907,600	— 243,700	4,889,700	6,284,700	33,100	21,900	11,229,400	+ 90,000	+ 333,700
3,825,400	2,524,700	10,095,100	+ 12,200	3,878,200		3,907,700	2,579,200	10,365,100	+ 227,700	+ 215,500
1,194,600	*788,400*	*5,848,200*	— *61,900*	*4,098,800*		*1,189,900*	*785,400*	*6,074,100*	+ *167,000*	+ *228,900*
- -	- -	*1,253,400*	— *700*	*1,285,000*		- -	- -	*1,285,000*	+ *30,900*	+ *31,600*
2,630,800	1,736,300	2,993,500	+ 74,800	—1,655,100	149,500	2,717,800	1,793,800	3,006,000	+ 29,800	— 45,000
200	100	462,600	— 51,400	539,400	4,300	200	100	544,000	+ 30,000	+ 81,400
2,631,000	1,736,400	3,456,100	+ 23,400	—1,115,700	153,800	2,718,000	1,793,900	3,550,000	+ 59,800	+ 36,400
112,200	74,000	1,714,100	+ 31,100	1,447,100	128,100	104,900	69,200	1,749,300	+ 71,100	+ 40,000
118,000	77,900	954,900	— 20,300	820,300	- -	161,700	106,700	1,088,700	+ 84,700	+ 105,000
500	300	59,400	+ 6,600	52,000	- -	700	500	53,200	+ 200	— 6,400
230,700	152,200	2,728,400	+ 17,400	2,319,400	128,100	267,300	176,400	2,891,200	+ 156,000	+ 138,600
261,600	172,600	2,015,500	+ 15,500	633,700	940,200	256,400	169,200	1,999,500	+ 2,900	— 12,600
3,200	2,100	3,092,100	— 21,700	26,300	3,089,200	2,300	1,500	3,119,300	+ 6,100	+ 27,800
- -	- -	1,071,400	+ 99,100	143,700	897,000	- -	- -	1,040,700	+ 68,400	— 30,700
600	400	4,138,300	+ 24,400	62,700	4,120,800	500	300	4,184,300	+ 70,500	+ 46,100
215,400	142,200	723,400	— 7,100	149,100	176,100	220,700	145,700	691,600	— 42,400	— 35,300
1,600	1,100	1,561,300	— 86,900	17,700	1,606,200	1,400	900	1,626,200	— 21,800	+ 65,100
100	100	189,800	— 5,700	193,000	- -	400	300	193,700	— 2,000	+ 3,700
7,000	4,600	1,065,800	— 8,100	24,400	1,040,900	6,900	4,600	1,076,800	+ 2,900	+ 11,000
24,400	16,100	999,900	+ 19,400	877,900	69,700	21,700	14,300	983,600	+ 4,900	— 14,500
31,300	20,600	525,800	— 13,600	303,800	201,300	28,300	18,700	552,100	+ 14,600	+ 28,200
545,200	359,800	15,383,300	+ 15,300	2,432,300	12,141,400	538,600	355,500	15,467,800	+ 104,100	+ 88,800
9,600	6,300	443,400	— 11,400	420,300	- -	9,400	6,200	435,900	— 18,800	— 7,400
228,000	150,500	379,200	+ 1,600	900	- -	226,000	149,200	376,100	— 200	— 1,800
1,873,000	1,236,200	4,110,300	+ 29,700	76,400	949,700	1,884,200	1,243,600	4,153,900	+ 65,900	+ 36,200
45,800	30,200	693,100	— 18,200	125,400	500,000	47,800	31,500	704,700	— 7,900	+ 10,300
19,000	12,600	236,900	— 600	25,100	182,500	21,000	13,800	242,400	+ 3,700	+ 4,300
2,175,400	1,435,800	5,862,900	+ 1,100	648,100	1,632,200	2,188,400	1,444,300	5,913,000	+ 42,700	+ 41,600
8,700	5,800	1,965,700	+ 1,884,900	2,946,100	695,100	- -	- -	3,641,200	+ 3,566,200	+ 1,681,300
- -	- -	- -	— 473,500	- -	- -	- -	- -	- -	— 473,500	—
- -	- -	47,200	— 2,800	25,000	- -	- -	- -	25,000	— 25,000	— 22,200
8,700	5,800	2,012,900	+ 1,408,600	2,971,100	695,100	- -	- -	3,666,200	+ 3,067,700	+ 1,659,100
5,642,200	3,723,800	40,351,200	+ 1,222,100	12,144,900	21,035,300	5,745,400	3,792,000	42,717,600	+ 3,520,300	+ 2,298,200

REVISED ESTIMATE, 1896-97.				BUDGET ESTIMATE, 1897-98.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rs.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
3,823,100	975,700	643,900	5,442,700	4,017,200	971,000	640,900	5,629,100
42,100	218,900	144,500	405,500	81,600	218,900	144,500	445,000
—	—	—	—	—	—	—	—
3,865,200	1,194,600	788,400	5,848,200	4,098,800	1,189,900	785,400	6,074,100

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE	ACCOUNTS, 1895-96.					REVISED	
	India.		England.	Exchange,* 13·6381*d.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	10,340,030	18,565,629	5,556,382	4,221,572	38,683,613	11,686,500	19,298,700
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	7,661	- -	- -	7,661	- -	14,000
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	8,655,735	385,101	- -	- -	9,040,836	8,415,500	409,500
Interest on Debt - - - - -	3,450,807	215,568	980,020	744,589	5,390,984	3,605,100	218,000
Annuities in purchase of Railways - -	- -	- -	1,705,396	1,295,708	3,001,104	- -	- -
Interest chargeable against Companies on Advances.	497	- -	218,884	166,301	385,682	42,100	- -
Interest on Capital deposited by Companies	33,941	- -	681,919	518,101	1,233,961	14,800	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	530,315	- -	- -	- -	530,315	480,500	- -
Interest - - - - - - -	2,822	- -	2,161,563	1,642,290	3,806,675	8,100	- -
40.—Subsidised Companies: Land, &c. - -	8,134	10,117	- -	- -	18,251	92,000	10,100
41.—Miscellaneous Railway Expenditure - -	71,623	26	- -	- -	71,649	61,700	- -
Total - - -	12,753,874	610,812	5,747,782	4,366,989	23,479,457	12,719,800	637,600
IRRIGATION:							
42.—Major Works: Working Expenses - -	455,945	331,356	- -	- -	787,301	500,600	375,500
Interest on Debt - - - -	677,788	544,621	- -	- -	1,222,409	703,400	550,000
43.—Minor Works and Navigation - - -	374,232	590,894	838	637	966,601	397,600	721,800
Total - - -	1,507,965	1,466,871	838	637	2,976,311	1,601,600	1,647,300
BUILDINGS AND ROADS:							
44.—Military Works - - - - - -	1,151,478	- -	30,947	23,513	1,205,938	1,112,500	- -
45.—Civil Works - - - - - -	611,458	3,841,116	86,375	65,625	4,604,574	669,500	4,038,600
Total - - -	1,762,936	3,841,116	117,322	89,138	5,810,512	1,782,000	4,038,600
ARMY SERVICES:							
46.—Army: Effective - - - - -	17,222,977	- -	1,819,267	1,382,224	20,424,468	16,307,000	- -
Non-effective - - - - -	897,135	- -	2,316,527	1,760,027	4,973,689	898,700	- -
Total - - -	18,120,112	- -	4,135,794	3,142,251	25,398,157	17,205,700	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works - - - -	21,716	- -	45,252	34,381	101,349	25,600	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - -	44,506,633	24,492,089	15,603,370	11,854,968	96,457,060	45,021,200	25,636,200
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year - - - - -	- -	548,902	- -	- -	548,902	- -	- -
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	*169,793*	- -	- -	*169,793*	- -	*1,228,500*
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - -	44,506,633	24,871,198	15,603,370	11,854,968	96,836,169	45,021,200	24,467,700

	ACCOUNTS, 1895-96.			
	India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay, Railways and Irrigation Works:	*Rx.*	£.	*Rx.*	*Rx.*
48.—State Railways - - - - - -	2,191,354	679,562	516,311	3,387,227
49.—Irrigation Works - - - - - -	693,611	3,612	2,744	699,967
TOTAL - - -	2,884,965	683,174	519,055	4,087,194

* *See* foot-note to Statement A.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1896-97.			Increase + Decrease — of Revised as compared with Budget Estimates, 1896-97. (Excluding Exchange.)	BUDGET ESTIMATE, 1897-98.					Increase + Decrease — of Budget, 1897-98, as compared with Budget Estimates, 1896-97. (Excluding Exchange.)	Increase + Decrease — of Budget, 1897-98, as compared with Revised Estimates, 1896-97. (Excluding Exchange.)
				India.						
England.	Exchange.* (£.1 = *Rs.* 16·6.)	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* (£.1 = *Rs.* 16·6.)	TOTAL.		
£.	*Rx.*	*Rx.*		*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*		
5,642,200	3,723,800	40,351,200	+1,222,100	12,144,900	21,035,300	5,745,400	3,792,000	42,717,600	+3,520,300	+2,298,200
- -	- -	14,000	— 500	- -	7,300	- -	- -	7,300	— 7,200	— 6,700
- -	- -	8,825,000	— 185,800	8,988,000	39,300	- -	- -	9,027,300	+ 16,500	+ 202,300
975,700	643,900	5,442,700	— 48,200	4,017,200	- -	971,000	640,900	5,629,100	+ 141,200	+ 189,400
1,712,600	1,130,300	2,842,900	+ 3,600	- -	- -	1,712,500	1,130,200	2,842,700	+ 3,500	— 100
218,900	144,500	405,500	+ 5,700	81,600	- -	218,900	144,500	445,000	+ 45,200	+ 39,500
722,700	477,000	1,214,500	— 6,300	19,500	- -	800,000	528,000	1,347,500	+ 75,700	+ 82,000
- -	- -	480,500	— 145,000	303,000	- -	- -	- -	503,000	— 322,500	— 177,500
2,160,900	1,426,200	3,595,200	+ 1,400	7,200	- -	2,169,400	1,431,800	3,608,400	+ 9,000	+ 7,600
- -	- -	102,100	— 6,100	226,100	10,100	- -	- -	236,200	+ 128,000	+ 134,100
- -	- -	61,700	— 25,300	60,000	- -	- -	- -	60,000	— 27,000	— 1,700
5,790,800	3,821,900	22,970,100	— 406,000	13,702,600	49,400	5,871,800	3,875,400	23,499,200	+ 69,600	+ 475,600
- -	- -	876,100	+ 55,400	475,000	384,800	- -	- -	859,800	+ 39,100	— 16,300
- -	- -	1,253,400	— 700	729,400	555,600	- -	- -	1,285,000	+ 30,900	+ 31,600
1,600	1,100	1,122,100	— 7,000	294,000	671,200	1,000	700	966,900	— 161,800	— 154,800
1,600	1,100	3,251,600	+ 47,700	1,498,400	1,611,600	1,000	700	3,111,700	— 91,800	— 139,500
25,000	16,500	1,154,000	— 84,100	1,207,300	- -	14,400	9,500	1,231,200	+ 100	+ 84,200
91,000	60,100	4,859,200	— 44,300	321,400	4,076,800	90,800	59,900	4,548,900	— 354,400	— 310,100
116,000	76,600	6,013,200	— 128,400	1,528,700	4,076,800	105,200	69,400	5,780,100	— 354,300	— 225,900
1,899,000	1,253,400	19,459,400	— 396,900	16,050,300	- -	1,921,600	1,268,200	19,240,100	— 631,000	— 234,100
2,372,000	1,565,500	4,836,200	— 15,000	918,600	- -	2,431,800	1,605,000	4,955,400	+ 64,700	+ 79,700
4,271,000	2,818,900	24,295,600	— 411,900	16,968,900	- -	4,353,400	2,873,200	24,195,500	— 566,300	— 154,400
59,000	38,900	123,500	+ 30,700	- -	- -	11,700	7,700	19,400	— 42,200	— 72,900
15,880,600	10,481,200	97,019,200	+ 353,700	45,843,500	26,780,400	16,088,500	10,618,400	99,330,800	+2,528,100	+2,174,400
- -	- -	- -	- -	- -	- -	- -	- -	9,200	— 303,600	+ 38,500
- -	- -	*1,223,500*	— 342,100	- -	*1,190,000*	- -	- -	*1,199,200*		
15,880,600	10,481,200	95,790,700	+ 11,600	45,843,500	25,590,400	16,088,500	10,618,400	98,140,800	+2,224,500	+2,212,900
Deduct,—Decrease on account of Exchange - - - *Rx.*			— 1,378,500	*Add*,—Increase (+) or *Deduct*,—Decrease (—) on account of Exchange - - - *Rx.*					— 1,241,300	+ 137,200
TOTAL, INCLUDING EXCHANGE - *Rx.*			— 1,366,900	TOTAL, INCLUDING EXCHANGE - *Rx.*					+ 983,200	+ 2,350,100

REVISED ESTIMATE, 1896-97.				BUDGET ESTIMATE, 1897-98.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
2,008,800	1,091,000	720,100	3,819,900	4,049,100	1,078,000	711,500	5,838,600
730,000	4,500	3,000	737,500	741,500	5,100	3,400	750,000
2,738,800	1,095,500	723,100	4,557,400	4,790,600	1,083,100	714,900	6,588,600

* *See* foot-note to Statement A.

C.—STATEMENT of RECEIPTS and DISBURSEMENTS

	ACCOUNTS, 1895-96.			REVISED ESTIMATE, 1896-97.			BUDGET ESTIMATE, 1897-98.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
REVENUE (from Statement A.) -	97,977,005	223,417	98,200,422	93,273,600	319,400	93,593,000	95,389,600	173,000	95,562,600
Exchange added to Revenue -	169,745	- -	169,745	210,800	- -	210,800	114,200	- -	114,200
Total - - -	98,146,750	223,417	98,370,167	93,484,400	319,400	93,803,800	95,503,800	173,000	95,676,800
PERMANENT DEBT INCURRED :									
Sterling Debt :	0								
India Stock - - -	- -	- -	- -	- -	2,400,000	- -	- -	3,500,000	—
Rupee Debt :									
Rupee Loan - - -	- -	- -	- -	6,048,700	- -	- -	4,000,000	—	—
Total - - -	- -	- -	- -	6,048,700	2,400,000	8,448,700	4,000,000	3,500,000	7,500,000
Net - - -	- -	- -	0	- -	- -	5,412,900	- -	- -	6,924,900
TEMPORARY DEBT INCURRED :									
Temporary Loans - -	- -	2,000,000	2,000,000	- -	1,500,000	1,500,000	- -	2,000,000	2,000,000
Net - - -	—	—	0	—	—	0	—	—	1,000,000
UNFUNDED DEBT :									
Special Loans - - -	1,088	—	—	—	—	—	—	—	—
Treasury Notes - - -	- -	- -	- -	2,200	—	—	—	—	—
Deposits of Service Funds -	243,721	- -	- -	71,000	- -	- -	151,000	—	—
Savings Bank Deposits - -	4,615,361	- -	- -	5,196,400	- -	- -	4,734,300	—	—
Total - - -	4,860,170	- -	4,860,170	5,269,600	- -	5,269,600	4,885,300	- -	4,885,300
Net - - -	- -	- -	739,047	- -	- -	0	- -	- -	502,400
DEPOSITS AND ADVANCES :									
Balances of Provincial Allotments	548,902	- -	- -	- -	- -	- -	9,200	—	—
Excluded Local Funds - -	790,627	- -	- -	770,800	- -	- -	761,800	—	—
Railway Funds - - -	78,709	- -	- -	77,906	- -	- -	75,600	—	—
Deposits of Sinking Funds -	16,606	- -	- -	11,800	- -	- -	12,400	—	—
Departmental and Judicial Deposits.	18,472,070	- -	- -	18,543,800	- -	- -	18,199,000	—	—
Advances - - - -	3,840,105	673	- -	3,377,500	1,700	- -	3,180,100	1,400	—
Suspense Accounts - -	41,419	- -	- -	19,100	- -	- -	9,100	—	—
Exchange on Remittance Accounts (net).	- -	- -	- -	169,700	- -	- -	2,598,100	—	—
Miscellaneous - - -	299	- -	- -	- -	9,000	- -	25,300	—	—
Total - - -	23,788,737	673	23,789,410	22,970,600	10,700	22,981,300	24,870,600	1,400	24,872,000
Net - - -	- -	- -	0	- -	- -	0	- -	- -	1,497,500
Carried forward - - -	126,795,657	2,224,090	- -	127,773,300	4,230,100	- -	129,259,700	5,674,400	—

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1895-96.			REVISED ESTIMATE, 1896-97.			BUDGET ESTIMATE, 1897-98.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	68,998,722	15,603,370	84,602,092	70,657,400	15,880,600	86,538,000	72,623,900	16,088,500	88,712,400
Exchange, charged as Expenditure	11,854,968	- -	11,854,968	10,481,200	- -	10,481,200	10,618,400	- -	10,618,400
Add,—Provincial Surpluses, transferred to "Deposits."	548,902	- -	548,902	- -	- -	-	9,200	- -	9,200
Deduct,—Provincial Deficits, charged against "Deposits."	*—169,793*	- -	*—169,793*	*—1,228,500*	- -	*—1,228,500*	*—1,199,200*	- -	*—1,199,200*
Total - - -	81,232,799	15,603,370	96,836,169	79,910,100	15,880,600	95,790,700	82,052,300	16,088,500	98,140,800
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	2,884,965	683,174	- -	2,738,800	1,095,500	- -	4,790,600	1,083,100	—
Exchange on Expenditure not charged to Revenue.	519,055	- -	- -	723,100	- -	- -	714,900	—	—
Total - - -	3,404,020	683,174	4,087,194	3,461,900	1,095,500	4,557,400	5,505,500	1,083,100	6,588,600
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 4 per Cent. Stock -	- -	1,600	- -	- -	5,100	—	—	—	—
India 3½ per Cent. Debentures	- -	- -	- -	- -	2,000,000	—	—	—	—
South Indian Railway Debentures.	- -	- -	- -	- -	313,700	—	—	—	—
Rupee Debt:									
3½ per Cent. Loans - -	21,950	- -	- -	360,000	- -	- -	350,000	—	—
5 per Cent. Loans - -	—	—	—	—	- -	—	—	—	—
4½ per Cent. Loans - -	21,940	- -	- -	12,000	- -	- -	5,000	—	—
4 per Cent. Loans - - -	540,884	- -	- -	345,000	- -	- -	220,000	—	—
Stock Notes - - - -	38	- -	- -	- -	- -	—	100	—	—
Total - - -	584,812	1,600	586,412	717,000	2,318,800	3,035,800	575,100	- -	575,100
Net - - -	- -	- -	586,142	- -	- -	0	- -	- -	0
TEMPORARY DEBT DISCHARGED:									
Temporary Loans - -	- -	2,000,000	2,000,000	- -	2,500,000	2,500,000	- -	1,000,000	1,000,000
Net - - -	- -	- -	0	- -	- -	1,000,000	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - -	365	- -	- -	400	—	—	—	—	—
Treasury Notes - - -	—	—	—	—	—	—	—	—	—
Deposits of Service Funds -	100,477	- -	- -	102,500	- -	- -	102,000	—	—
Savings Bank Deposits - -	4,020,281	- -	- -	5,484,000	- -	- -	4,280,300	—	—
Total - - -	4,121,123	- -	4,121,123	5,586,900	- -	5,586,900	4,382,900	- -	4,382,900
Net - - -	- -	- -	0	- -	- -	317,300	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	169,793	- -	- -	1,228,500	- -	- -	1,199,200	—	—
Excluded Local Funds - -	798,177	- -	- -	789,600	- -	- -	753,600	—	—
Railway Funds - - -	69,406	- -	- -	79,100	- -	- -	68,300	—	—
Deposits of Sinking Funds -	5,798	- -	- -	- -	—	—	—	—	—
Departmental and Judicial Deposits.	18,279,012	- -	- -	18,739,200	- -	- -	18,279,800	—	—
Advances - - - - -	3,731,032	3,069	- -	3,388,400	2,100	- -	3,056,200	—	—
Suspense Accounts - - -	223,372	- -	- -	24,500	- -	- -	17,400	—	—
Exchange on Remittance Account (net).	906,901	- -	- -	- -	—	—	—	—	—
Miscellaneous - - - -	918,754	138	- -	11,700	9,000	—	—	—	—
Total - - -	25,102,245	3,207	25,105,452	24,261,000	11,100	24,272,100	23,374,500	- -	23,374,500
Net - - -	- -	- -	1,316,042	- -	- -	1,290,800	- -	- -	0
Carried forward - - -	114,444,999	18,291,351	- -	113,936,900	21,806,000	- -	115,890,300	18,171,600	—

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1895–96.			REVISED ESTIMATE, 1896–97.			BUDGET ESTIMATE, 1897–98.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward	126,795,657	2,224,090	—	127,773,300	4,230,100	—	129,259,700	5,674,400	—
Loans and Advances by Imperial Government.	137,164	—	137,164	125,500	—	125,500	107,600	—	107,600
Net	—	—	0	—	—	**42,400**	—	—	**91,500**
Loans and Advances by Provincial Governments.	369,082	—	369,082	392,400	—	392,400	411,700	—	411,700
Net	—	—	0	—	—	0	—	—	0
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	163,800	791,483	—	306,000	3,936,600	—	1,535,300	4,491,400	—
Repayments	1,192,868	11,553	—	206,300	6,700	—	162,700	3,000	—
Total	1,356,668	803,036	2,159,704	512,300	3,943,300	4,455,600	1,698,000	4,494,400	6,192,400
Net	—	—	0	—	—	**581,600**	—	—	0
Remittances:									
Inland Money Orders	21,757,807	—	—	22,800,000	—				
Other Local Remittances	42,019	—	—	560,700	—	—	23,900,000	—	—
Other Departmental Accounts	475,393	—	—	279,200	—	—	444,900	—	—
Net Receipts by Civil Treasuries from—						—	304,200	—	—
Post Office	730,869	—	—	794,300	—				
Telegraph	94,938	—	—	44,600	—	—	555,000	—	—
Guaranteed Railways	3,214,646	—	—	2,446,200	—	—	—	—	—
Public Works	1,850,254	—	—	—	—	—	2,781,500	—	—
Net Receipts from Civil Treasuries by—						—	—	—	—
Telegraph	—	—	—	—	—	—	5,200	—	—
Marine	175,785	—	—	260,500	—	—	212,000	—	—
Military	16,709,922	—	—	16,039,100	—	—	15,700,900	—	—
Public Works	—	—	—	783,600	—	—	2,681,600	—	—
Remittance Account between England and India—									
Railway Transactions	659,122	152,266	—	610,800	805,100	—	903,000	402,500	—
Other Transactions	313,632	189,379	—	381,400	302,700	—	359,400	122,500	—
Total	46,024,387	341,645	46,366,032	45,000,400	1,107,800	46,108,200	47,847,700	525,000	48,372,700
Net	—	—	**80,502**	—	—	**297,100**	—	—	0
Secretary of State's Bills drawn	—	17,664,492	17,664,492	—	15,300,000	15,300,000	—	13,000,000	13,000,000
Total Receipts	174,682,958	21,033,263	—	173,803,900	24,581,200	—	179,324,700	23,693,800	—
Opening Balance	22,529,488	2,503,124	—	16,500,510	3,393,798	—	13,465,810	2,814,698	—
GRAND TOTAL	197,212,446	23,536,387	—	190,304,410	27,974,998	—	192,790,510	26,508,498	—

Fort William, Finance and Commerce Department,
March 1897.

W. H. Dobbie,
Officiating Deputy Comptroller General.

D.—ACCOUNT of Provincial and Local Savings charged to Revenue, and held

Provincial and

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burma.	Assam.
Accounts, 1895–96.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1894–95	15,195	85,901	197,521	131,811
Added in 1895–96	—	8,688	217,917	24,299
Spent in 1895–96	449	—	—	—
Balance at end of 1895–96	14,746	94,589	415,438	156,110
Revised Estimate, 1896–97.				
Balance at end of 1895–96 (by Accounts)	14,746	94,589	415,438	156,110
Spent in 1896–97	2,500	52,300	34,800	33,000
Balance at end of 1896–97	12,246	42,289	380,638	123,110
Budget Estimate, 1897–98.				
Balance at end of 1896–97 (by Revised Estimate).	12,246	42,289	380,638	123,110
Added in 1897–98	—	—	—	—
Spent in 1897–98	1,600	6,100	184,900	23,000
Balance at end of 1897–98	10,646	36,189	195,738	100,110

Fort William, Finance and Commerce Department,
19 March 1897.

W. H. Dobbie,
Officiating Deputy Comptroller General.

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued.*

	ACCOUNTS, 1895-96.			REVISED ESTIMATE, 1896-97.			BUDGET ESTIMATE, 1897-98.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward	114,444,999	18,291,351	- -	113,936,900	21,806,000	- -	115,890,300	18,171,600	—
Loans and Advances by Imperial Government.	211,610	- -	211,610	83,100	- -	83,100	16,100	- -	16,100
Net	- -	- -	74,446	- -	- -	0	- -	- -	0
Loans and Advances by Provincial Governments.	533,179	- -	533,179	1,199,500	- -	1,199,500	748,600	- -	748,600
Net	- -	- -	164,097	- -	- -	807,100	- -	- -	336,900
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	- -	- -	- -	871,200	- -	- -	2,441,400	—
For Expenditure	1,491,821	853,820	- -	1,476,900	1,525,900	- -	2,654,300	2,370,700	—
Total	1,491,821	853,820	2,345,641	1,476,900	2,397,100	3,874,000	2,654,300	4,812,100	7,466,400
Net	- -	- -	185,937	- -	- -	0	- -	- -	1,274,000
Remittances:									
Inland Money Orders	21,739,588	- -	- -	22,800,000	- -	- -	23,900,000	—	—
Other Local Remittances	—	—	—	560,700	—	—	444,900	—	—
Other Departmental Accounts	445,834	- -	- -	279,200	- -	- -	304,200	—	—
Net Payments into Civil Treasuries by—									
Post Office	730,835	- -	- -	794,300	- -	- -	555,000	—	—
Telegraph	94,609	- -	- -	44,600	- -	- -	- -	—	—
Guaranteed Railways	3,214,646	- -	- -	2,446,200	- -	- -	2,781,500	—	—
Public Works	1,866,747	- -	- -	- -	- -	- -	- -	—	—
Net Issues from Civil Treasuries to—									
Telegraph	- -	- -	- -	- -	- -	- -	5,200	—	—
Marine	175,742	- -	- -	260,500	- -	- -	212,000	—	—
Military	16,709,922	- -	- -	15,949,100	- -	- -	15,700,900	—	—
Public Works	- -	- -	- -	583,600	- -	- -	2,681,600	—	—
Remittance Account between England and India:									
Railway transactions	149,250	662,138	- -	805,100	610,800	- -	402,500	903,000	—
Other transactions	160,939	335,280	- -	330,600	346,400	- -	146,400	350,500	—
Total	45,288,112	997,418	46,285,530	44,853,900	957,200	45,811,100	47,134,200	1,253,500	48,387,700
Net	- -	- -	0	- -	- -	0	- -	- -	15,000
SECRETARY OF STATE'S BILLS PAID.	18,742,215	- -	18,742,215	15,288,300	- -	15,288,300	13,025,300	- -	13,025,300
TOTAL DISBURSEMENTS	180,711,936	20,142,589	- -	176,838,600	25,160,300	- -	179,468,800	24,237,200	—
Closing Balance	16,500,510	3,393,798	- -	13,465,810	2,814,698	- -	13,321,710	2,271,298	—
GRAND TOTAL	197,212,446	23,536,387	- -	190,304,410	27,974,998	- -	192,790,510	26,508,498	—

A. F. Cox,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL SETTLEMENTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North-Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
602,946	416,094	325,264	763,142	678,769	3,216,643
108,211	- - -	- - -	81,770	108,017	548,902
- - -	155,618	13,726	- - -	- - -	169,793
711,157	260,476	311,538	844,912	786,786	3,595,752
711,157	260,476	311,538	844,912	786,786	3,595,752
230,300	202,900	105,900	199,700	367,100	1,228,500
480,857	57,576	205,638	645,212	419,686	2,367,252
480,857	57,576	205,638	645,212	419,686	2,367,252
- - -	9,200	- - -	- - -	- - -	9,200
454,700	- - -	85,900	279,700	163,300	1,199,200
26,157	66,776	119,738	365,512	256,386	1,177,252

A. F. Cox,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

E.—STATEMENT of NET REVENUE AND EXPENDITURE.—INDIA AND ENGLAND.

PART I.—INCOME.

REVENUE.	Accounts, 1895–96.		Revised Estimate, 1896–97.		Budget Estimate, 1897–98.	
I.—LAND REVENUE, &c.:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1. Land Revenue - -	26,150,709		23,645,300		25,601,800	
2. Forest - - -	1,656,647		1,762,000		1,753,000	
3. Tributes from Native States.	792,301		902,500		901,600	
	28,599,657		26,309,800		28,256,400	
Deduct,—Assignments -	*1,127,276*		*1,136,100*		*1,130,900*	
Net - - -	- -	27,472,381	- -	25,173,700	- -	27,125,500
II.—OPIUM, NET RECEIPTS - -	5,054,971		3,880,600		3,161,300	
Deduct,—Assignments -	*5,077*		*5,100*		*5,100*	
Net - - -	- -	5,049,894	- -	3,875,500	-	3,156,200
III.—TAXATION:						
1. Salt - - - - -	8,825,674		8,402,500		8,698,800	
2. Stamps - - -	4,676,087		4,717,600		4,782,600	
3. Excise - - - - -	5,699,570		5,582,900		5,653,800	
4. Provincial Rates - -	3,696,480		3,531,700		3,616,000	
5. Customs - - - -	4,905,921		4,408,800		4,375,900	
6. Assessed Taxes - -	1,822,418		1,842,500		1,836,800	
7. Registration - -	423,573		446,200		439,700	
	30,049,723		28,932,200		29,403,600	
Deduct,—Assignments -	*422,366*		*428,100*		*422,400*	
Net - - -	- -	29,627,357	- -	28,504,100	- -	28,981,200
IV.—MISCELLANEOUS RECEIPTS (*i.e* Mint, Gain by Exchange, and Miscellaneous).	- -	392,453	- -	480,900	- -	366,800
		62,542,085	- -	58,034,200	- -	59,629,700
Excess of Expenditure over Income -	- -	- -	- -	1,986,900	- -	2,464,000
		62,542,085	- -	60,021,100	- -	62,093,700

E.—STATEMENT of NET REVENUE AND EXPENDITURE.—INDIA AND ENGLAND—*continued.*

PART II.—EXPENDITURE.

CHARGES.	Accounts, 1895-96.		Revised Estimate, 1896-97.		Budget Estimate, 1897-98.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—DEBT SERVICES - - -	- -	3,219,747	- -	2,368,800	- -	2,708,700
II.—MILITARY SERVICES:						
1. Army - - - -	24,420,146		23,330,800		23,314,200	
2. Military Works - -	1,156,239		1,092,900		1,181,200	
3. Special Defence Works -	101,349		123,500		19,400	
TOTAL - - -	- -	25,677,734	- -	24,547,200	- -	24,514,800
III.—COLLECTION OF REVENUE:						
1. Land Revenue, including District Administration.	4,097,117		4,094,400		4,166,700	
2. Forest - - - - -	911,161		999,900		1,076,100	
3. Other Heads - - -	1,419,270		1,429,100		1,474,900	
TOTAL - - -	- -	6,427,548	- -	6,523,400	- -	6,717,700
IV.—COMMERCIAL SERVICES:						
Net Expenditure:						
1. Railway - - - -	1,620,268		2,810,200		2,816,800	
2. Irrigation - - -	676,358		50,900		*—10,800*	
	2,296,626		2,861,100		2,806,000	
Deduct,—Net Receipts:						
Post Office - - -	69,697		58,700		78,000	
Telegraph - - -	188,087		123,300		*—700*	
	257,784		182,000		77,300	
NET - - -	- -	2,038,842	- -	2,679,100	- -	2,728,700
V.—CIVIL SERVICES:						
1. Civil Departments - -	13,488,338		13,696,300		13,778,600	
2. Miscellaneous Civil Charges.	5,242,182		5,185,300		5,242,400	
3. Famine Relief and Insurance.	586,485		2,012,900		3,666,200	
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	7,661		14,000		7,300	
5. Civil Works - - -	3,940,441		4,222,600		3,919,300	
	23,265,107		25,131,100		26,613,800	
Add or *Deduct*,— Provincial Surplus or Deficit.	379,109		*1,228,500*		*1,190,000*	
TOTAL - - -	- -	23,644,216	- -	23,902,600	- -	25,423,800
		61,008,087	- -	60,021,100	- -	62,093,700
Excess of Income over Expenditure.	- -	1,533,998	—	—	—	—
		62,542,085	- -	60,021,100	- -	62,093,700

W. H. Dobbie,
Officiating Deputy Comptroller General.

A. F. Cox,
Officiating Comptroller General.

J. F. Finlay,
Secretary to the Government of India.

Fort William, Finance and Commerce Department,
19 March 1897.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

		1888-89.	1889-90.	1890-91.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:					
Surplus	*Rx.*	37,018	2,612,033	3,688,171	1
Deficit	,,	-	-	-	2
Capital Expenditure on Public Works not charged against Revenue.*	,,	1,638,001	3,173,390	3,365,632	3
Capital Charge involved in Redemption of Liabilities	£.	10,336,049	-	4,692,557	4
Net Public Debt incurred	,,	13,487,881	5,129,018	6,293,714	5
Net Public Debt incurred, including Capital transactions with Guaranteed Railways and other Companies.	,,	9,456,342	3,913,426	3,639,498	6
Value of commodities exported, excluding Gold and Silver	*Rx.*	97,049,000	103,460,000	100,227,000	7
Value of commodities imported, excluding Gold and Silver	,,	69,440,000	69,197,000	71,975,000	8
Excess of Exports over Imports, excluding Gold and Silver	,,	27,609,000	34,263,000	28,252,000	9
Net Imports of Gold	,,	2,814,000	4,615,000	5,636,000	10
Net Imports of Silver	,,	9,247,000	10,938,000	14,175,000	11
TOTAL Net Imports of Gold and Silver	,,	12,061,000	15,553,000	19,811,000	12
Excess of Exports over Imports, including Gold and Silver	,,	15,548,000	18,710,000	8,441,000	13
Grand Total Value of Imports and Exports of all kinds	,,	182,119,000	192,024,000	196,260,000	14
Secretary of State's Bills sold (rupees)	*Rs.*	20,89,91,221	22,41,86,638	21,18,69,300	15
Sterling equivalent received	£.	14,262,859	15,474,496	15,969,034	16
Silver coined at the Indian Mints	*Rx.*	7,282,255	8,541,158	13,193,473	17
Maximum price in pence of an oz. Troy standard silver in London		44 3/16 (Sept.)	44 1/8 (Jan.)	54 5/8 (Sept.)	18
Minimum - - ditto - - ditto		41 1/4 (May)	41 5/16 (May)	43 5/8 (April)	19
Average exchange upon Secretary of State's Bills sold per rupee		1s. 4·379d.	1s. 4·566d.	1s. 6·089d.	20
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.		1s. 5d.	1s. 4 1/2d.	1s. 5d.	21
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.		12 (Feb. & Mar.)	11 (Feb. and Mar.)	12 (April)	22
Minimum - - ditto - - ditto		4 (May to Sept.)	4 (June, July & Oct.)	3 (Aug. to Feb.)	23
Maximum rate of discount at the Bank of England		5 (Oct. to Jan.)	6 (Jan. and Feb.)	6 (Nov.)	24
Minimum - - ditto - - ditto		2 (April & May)	2 1/2 (April & July)	3 (April, May, June, Feb., and March).	25
Maximum Government Balances at the three Presidency Banks	*Rx.*	4,385,500 (June)	4,446,400 (March)	4,083,800 (June)	26
Minimum - - ditto - - ditto	,,	2,791,900 (Nov.)	2,856,900 (Nov.)	2,937,300 (Oct.)	27
Maximum price in Calcutta of Government 4 per Cent. Rupee Securities.		101-1 (Sept.)	100-10 (July)	106-6 (Jan.)	28
Minimum - - ditto - - ditto		96-6 (Jan.)	96-3 (Jan.)	99-7 (April)	29
Maximum price in Calcutta of Government 3 1/2 per Cent. Rupee Securities (Guaranteed).		-	-	-	30
Minimum - - ditto - - ditto		-	-	-	31
Maximum price in Calcutta of 3 per cent. Rupee Securities		-	-	-	32
Minimum - - ditto - - ditto		-	-	-	33
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	*Rx.*	21,701,500 (March)	21,962,100 (Nov.)	26,724,500 (Mar.)	34
Minimum - - ditto - - ditto	,,	19,278,500 (May)	21,586,900 (March)	21,498,900 (April)	35
Maximum price in London of 4 per Cent. (Rupee) Securities, in gold		69 1/4 (Sept.)	70 1/4 (Jan.)	90 1/4 (Aug.)	36
Minimum - - ditto - - ditto		65 1/2 (May)	66 1/2 (Sept.)	70 1/4 (April)	37
Maximum price in London of 3 1/2 per Cent. (Rupee) Securities in Gold.		-	-	-	38
Minimum - - ditto - - ditto		-	-	-	39
Maximum price in London of India 3 1/2 per Cent. Stock		108 3/4 (Mar.)	109 3/4 (May)	110 (Feb.)	40
Minimum - - ditto - - ditto		104 (Oct.)	106 3/8 (Dec.)	104 3/4 (Nov.)	41
Maximum price in London of India 3 per Cent. Stock		100 3/8 (Feb.)	102 (Aug.)	100 3/8 (April)	42
Minimum - - ditto - - ditto		96 (May)	99 (April)	94 3/4 (Nov.)	43
Maximum price in London of India 2 1/2 per cent. Stock		-	-	-	44
Minimum - - ditto - - ditto		-	-	-	45
Maximum Government Paper Currency outstanding	*Rx.*	18,055,300 (July)	16,667,800 (Nov.)	27,660,300 (Jan.)	46
Minimum - - ditto - - ditto	,,	14,829,800 (Feb.)	15,466,500 (Dec.)	17,419,600 (April)	47
Number of Savings Banks		6,237	6,546	6,642	48
Number of Depositors in Savings Banks		383,267	431,805	475,329	49
Amount deposited in Savings Banks	,,	7,622,544	7,531,868	8,062,241	50
Average of each deposit	,,	20	18	17	51
Net addition to deposits	,,	946,973	—90,676	530,373	52

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.	Revised Estimate, 1896-97.	Budget, 1897-98.
1	467,535	- - -	- - -	693,110	1,533,998	—	—
2	- - -	833,412	1,546,998	—	—	1,986,900	2,464,000
3	3,500,000	3,986,290	3,621,252	4,446,231	4,087,194	4,557,400	6,588,600
4	—	—	—	—	—	—	—
5	3,038,293	—376,405	4,043,311	4,822,662	—586,412	5,412,900	6,924,900
6	1,891,901	315,875	3,331,845	4,172,650	—772,349	5,994,500	5,650,900
7	108,173,000	106,595,000	106,503,000	108,914,000	114,335,000	—	—
8	69,432,000	66,265,000	77,021,000	73,529,000	72,937,000	—	—
9	38,741,000	40,330,000	29,482,000	35,385,000	41,398,000	—	—
10	2,414,000	—2,813,000	641,000	—4,974,000	2,526,000	—	—
11	9,022,000	12,864,000	13,720,000	6,329,000	6,582,000	—	—
12	11,436,000	10,051,000	14,361,000	1,355,000	9,108,000	—	—
13	27,305,000	30,279,000	15,121,000	34,030,000	32,290,000	—	—
14	195,615,000	196,829,000	206,086,000	200,250,000	204,899,000	—	—
15	23,08,28,115	26,47,84,151	15,72,36,031	30,96,98,798	31,08,54,373	25,39,80,000	21,58,00,000
16	16,093,854	16,532,215	9,530,235	16,905,102	17,664,492	15,300,000	13,000,000
17	5,553,970	12,611,528	4,902,499	94,594	292,713	—	—
18	46⅜ (July)	41¼ (June)	38¾ (June)	30½ (Aug.)	31⅝ (February)	31 9/16 (June)	—
19	39 (Mar.)	37⅜ (Mar.)	27 (Mar.)	27 1/16 (Dec. & Jan.)	29⅞ (April)	29 5/16 (Mar.)	—
20	1s. 4·733d.	1s. 2·985d.	1s. 2·547d.	1s. 1·1005d.	1s. 1·6381d.	1s. 2·46d.	1s. 2·46d.
21	1s. 6½d.	1s. 4¾d.	1s. 2¾d.	1s. 3¼d. 1st quarter. For the remaining quarters, 1s. 1¼d.	1s. 1¼d.	1s. 1½d.	1s. 2¼d.
22	5 (Jan. — Mar.)	6 (Jan.)	10 (Feb.)	9 (April)	7 (February)	10 (Dec.)	—
23	2 (Aug. and Sept.)	3 (May to Dec.)	4 (June 29 to Nov. 15) & (Nov. 30 to Jan. 10).	3 (Sept. 6 to Jan. 16).	3 (July 25 to Nov. 13).	3 (July 2 to Sept. 2)	—
24	5 (May and June)	3 (April, Oct., Nov., Dec. and Jan.)	5 (Aug. & Sept.)	2	2	4 (Oct. to Jan.)	—
25	2½ (July, Aug., and Sept.)	2 (May to Oct.)	2 (Feb. & Mar.)	2	2	2 (April to Sept.)	—
26	4,743,700 (June)	4,123,600 (May)	3,685,400 (June)	4,292,000 (Jan.)	4,161,900 (May)	3,914,200 (Aug.)	—
27	2,871,600 (Oct.)	2,751,900 (Nov.)	3,016,400 (Nov.)	3,165,700 (Nov.)	3,001,500 (Nov.)	2,021,900 (Nov.)	—
28	108-4 (June)	109-2 (May)	108-12 (June)	105-2 (June)	—	—	—
29	104-10 (Feb.)	103-7 (Sept.)	99-4 (Feb.)	102-3 (May).	—	—	—
30	- - -	- - -	- - -	105-7 (Mar.)	109-8 (Oct.)	110-15 (May)	—
31	- - -	- - -	- - -	102-9 (Jan.)	104-15 (Jan.)	98-9 (Feb.)	—
32	- - -	- - -	- - -	- - -	—	105-0 (Aug.)	—
33	- - -	- - -	- - -	- - -	—	97-0 (Jan.)	—
34	27,921,500 (Feb.)	27,256,600 (April)	25,978,300 (July)	23,634,600 (April)	25,354,300 (Nov.)	—	—
35	26,531,900 (Aug.)	25,927,100 (Mar.)	24,127,500 (Mar.)	13,732,900 (Dec.)	24,050,200 (Apl.)	—	—
36	78⅛ (July)	70⅝ (June)	71 (June)	59⅞ (Aug.)	—	—	—
37	66⅜ (Mar.)	62 9/16 (Aug.)	56⅞ (Feb.)	53 3/16 (May)	—	—	—
38	- - -	- - -	- - -	58⅛ (Mar.)	65 13/16 (Feb.)	65 1/16 (Aug.)	—
39	- - -	- - -	- - -	53 3/16 (Jan.)	57½ (April and May)	60 (Oct.)	—
40	108¾ (April)	110 (Mar.)	110⅝ (April)	116 (Feb.)	120⅜ (Feb.)	212⅛ (April)	—
41	103⅛ (June)	105 (Aug.)	106¾ (Sept.)	108¼ (June)	114¼ (Apl.)	114½ (Sept.)	—
42	97¾ (April)	100¼ (Mar.)	100¼ (April)	105 (Jan.)	118⅛ (Feb.)	105¾ (May)	—
43	93 (June)	95 (Aug.)	97 (Sept.)	98¾ (June)	103¾ (May)	106 (Oct.)	—
44	- - -	- - -	- - -	- - -	- - -	103 (June)	—
45	- - -	- - -	- - -	- - -	- - -	95¾ (Sept.)	—
46	27,040,700 (July)	29,065,000 (Aug.)	30,515,900 (Jan.)	32,355,400 (Nov.)	32,428,600 (July)	—	—
47	22,624,200 (Jan.)	23,958,100 (Apl.)	24,216,000 (April)	29,500,000 (Jan.)	25,940,700 (March)	—	—
48	6,612	6,594	6,544	6,564	6,520	—	—
49	528,752	588,477	644,658	683,209	716,554	—	—
50	8,886,372	9,774,656	10,322,541	10,535,017	11,121,252	—	—
51	17	17	16	15	15	—	—
52	824,131	888,283	547,885	212,476	586,235	—	—

APPENDIX II.—*continued.*

TABLE II.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1891–92.	1892-93.	1893-94.	1894–95.	1895–96.	Revised Estimate, 1896–97.	Budget Estimate, 1897–98.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	2,588	2,587	2,587	2,587	2,587	2,588	2,588
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross Traffic Receipts	6,846,420	6,301,935	6,461,042	6,124,166	6,255,131	5,670,000	5,740,000
Working Expenses	3,353,302	3,057,522	3,077,230	3,073,855	2,979,893	3,060,000	3,110,000
Percentage of Working Expenses on Receipts	48·98	48·52	47·63	50·19	47·64	53·97	54·18
Net Traffic Receipts	3,493,118	3,244,413	3,383,812	3,050,311	3,275,238	2,610,000	2,630,000
Net Gain by the remittance to England of Capital Receipts and Disbursements in India	—	—	—	—	—	—	—
TOTAL Revenue	3,493,118	3,244,413	3,383,812	3,050,311	3,275,238	2,610,000	2,630,000
Gross Guaranteed Interest paid in India — *Rx.*	37,171	2,673	2,495	6,352	2,822	8,100	7,200
Gross Guaranteed Interest paid in London — £.	2,114,159	2,145,297	2,154,720	2,154,714	2,161,563	2,160,900	2,169,400
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Total Guaranteed Interest (sterling payments converted at the average exchange of the year)	3,069,430	3,438,635	3,557,493	3,953,754	3,806,675	3,595,200	3,608,400
Surplus paid to Railway Companies	737,659	581,924	571,255	600,695	501,507	447,400	157,600
Land and Supervision	19,257	29,423	34,003	31,541	28,808	33,100	145,400
Net Loss on Receipts and Disbursements of Capital in India, at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's Bills	131,960	145,383	133,548	74,262	87,265	70,800	55,800
TOTAL Expenditure	3,958,306	4,195,365	4,296,299	4,660,252	4,424,255	4,177,500	3,967,200
Net Expenditure from the Public Treasury	465,188	950,952	912,487	1,609,941	1,149,017	1,567,500	1,337,200

APPENDIX II.—*continued.*

TABLE III.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1895-96, and ESTIMATED EXPENDITURE on such Works in 1896-97 and 1897-98, and to end of 1897-98.

RAILWAYS.	To end of 1894-95.	Accounts, 1895-96.	Revised Estimate, 1896-97.	Budget Estimate, 1897-98.	To end of 1897-98.	Sanctioned Outlay.	Balance remaining unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	16,011,435	521,114	680,000	1,050,000	18,262,549	18,262,549	—
Rajputana-Malwa	9,458,706	83,226					
Godhra-Rutlam	1,534,435	27,376					
Holkar	1,308,741	131	35,000	65,000	14,983,950	14,983,950	—
Cawnpore-Achnera	1,167,306	7,043					
Rewari-Ferozepore	1,287,592	9,394					
Palanpur-Deesa	21,530	701	1,200	500	23,931	23,931	—
Bhopal	226,994	4,723	3,000	2,000	236,717	236,717	—
Wardha Coal	498,769	311	700	7,500	507,280	507,280	—
Warora Colliery	207,489	—8,161	—6,700	—1,800	190,828	190,828	—
Umaria Colliery	103,822	5,657	8,200	4,100	121,779	121,779	—
Burma	5,392,448	—6,476	13,900	- -	5,399,872	5,399,872	—
Jorhat	81,910	1,020	6,700	3,100	92,730	92,730	—
Cherra-Companyganj	78,143	31	—100	- -	78,074	78,074	—
Eastern Bengal	8,697,816	142,529	448,900	272,500	9,561,745	9,561,745	—
Tirhoot	2,524,173	50,824	24,100	110,000	2,709,097	2,709,097	—
Oudh and Rohilkhand	11,447,297	122,376	63,100	78,500	11,711,273	11,711,273	—
Lucknow-Bareilly	512,114	- -	- -	- -	512,114	512,114	—
North Western	35,363,103	214,086	435,000	47,700	36,791,802	36,791,802	—
„ Gradient Improvements	740,828	1,085	—10,000				
Guntakal-Mysore frontier	586,567	1,795	2,000	1,000	591,362	591,362	—
South Indian	7,303,867	38,234	15,000	50,000	7,407,101	7,407,101	—
Dhond and Manmad	1,122,890	14,021	2,500	7,500	1,146,911	1,146,911	—
Mayavaram-Mutupet	239,837	5,263	2,000	3,400	250,500	250,500	—
Hyderabad-Shadipalli	176,569	1,347	5,400	800	184,116	184,116	—
Petroleum Operations	12,419	—500	- -	- -	11,919	11,919	—
Frontier Railway Reserve Material	436,900	1,031	1,600	- -	439,531	439,531	—
Peshawar Railway Reserve Material	36,776	- -	- -	- -	36,776	36,776	—
Bezwada-Madras (Ennore Section)	17,058	40,187	1,000	2,000	60,245	60,245	—
TOTAL	106,597,534	1,278,368	1,732,500	1,703,800	111,312,202	111,312,202	—
LINES UNDER CONSTRUCTION.							
Rutlam-Nagda	7,906	158,653	—1,500	- -	165,059	186,757	21,698
Mu Valley	2,094,925	114,253	50,600	- -	2,259,778	2,621,200	361,422
Mandalay-Kunlon	32,680	59,396	115,400	- -	207,476	2,250,000	2,042,524
Assam-Bengal (Construction)	729,825	320,437	614,800	1,080,700	2,745,762	5,770,900	3,025,138
Assam-Bengal (Land)	206,541	62,498	45,000	50,000	364,039	500,000	135,961
RaeBareli-Benares	5,284	59,244	257,100	432,500	754,128	843,408	89,280
Kotri-Rohri	94,893	665,332	420,100	211,000	1,391,325	1,571,000	179,675
Wazirabad-Lyallpur	54,311	190,752	78,700	(*b*) - -	323,763	336,412	12,649
Mushkaf-Bolan	1,620,619	199,460	210,200	(*b*) - -	2,030,279	2,263,700	233,421
Mari-Attock	474,213	266,639	373,700	300,000	1,414,552	1,430,000	15,448
East Coast (*a*)	4,788,455	696,689	292,800	65,000	5,842,944	5,576,737	—266,207
Bezwada-Madras	12,933	139,475	841,800	800,000	1,794,208	2,056,300	262,092
Cawnpore-Lucknow-Gogra	94,538	101,217	27,500	- -	223,255	247,000	23,745
Tirhoot Extensions	- -	- -	220,000	600,000	820,000	1,241,700	421,700
Lyallpur-Khanewal	- -	- -	5,000	80,000	85,000	273,800	188,800
Southern Punjab—Rolling Stock	- -	- -	- -	222,300	222,300	411,200	188,900
Rajbari-Fareedpur	- -	- -	5,000	80,000	85,000	136,000	51,000
Godavari Bridge	- -	- -	21,000	185,000	206,000	596,972	390,972
Rungpur-Dhubri	- -	- -	- -	50,000	50,000	800,000	750,000
TOTAL	10,217,123	3,034,045	3,577,200	4,156,500	20,984,868	29,113,086	8,128,218
Carried forward	116,814,657	4,312,413	5,309,700	5,860,300	132,297,070	140,425,288	8,128,218

(*a*) Includes Bezwada Extension Railway. (*b*) Included with North Western Railway.

APPENDIX II.—*continued.*

TABLE III.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	To end of 1894-95.	Accounts, 1895-96.	Revised Estimate, 1896-97.	Budget Estimate, 1897-98.	To end of 1897-98.	Sanctioned Outlay.	Balance remaining unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	116,814,657	4,312,413	5,309,700	5,860,300	132,297,070	140,425,288	8,128,218
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES, &c.							
Ranaghat-Bhagwangola - - -	30,244	- -	- -	- -	30,244	30,244	—
Southern Mahratta (Depreciation on Stores, &c.).	52,707	- -	- -	- -	*52,707	52,707	—
Bellary-Kistna - - - - -	1,657,753	88	- -	-	1,657,841	1,657,841	—
Bilaspur-Etawah - - - -	7,514	- -	- -	- -	7,514	7,514	—
Vizagapatam-Raipur - - -	24,504	- -	- -	- -	24,504	24,504	—
Nagpur - Chhattisgarh Depreciation Account.	65,703	- -	- -	- -	65,703	65,703	—
TOTAL - - -	1,838,425	88	- -	- -	1,838,513	1,838,513	—
Stores and Reserve - - - -	123,944	—116,048	—4,100	42,500	46,296	46,296	—
Deduct,—Lapses anticipated -	- -	- -	*—34,700*	- -	*—34,700*	*—34,700*	—
Add,—Amounts specially reserved for—							
East Indian - - - - -	- -	- -	- -	150,000	605,200	605,200	—
Shadipalli-Balotra - - - -	- -	- -	- -	90,000			
Bhatinda—Ferozepore - - -	- -	- -	- -	90,000			
Agra-Muttra-Delhi Chord - - -	- -	- -	- -	275,200			
	118,777,026	4,196,453	5,270,900	6,508,000	134,752,379	142,880,597	8,128,218
Deduct,—Amount provided for Capital Outlay on East Indian Railway by the issue of Sterling Debentures.	- -	*271,698*	*1,437,000*	*662,100*	*2,370,798*	*2,370,798*	—
TOTAL - - -	118,777,026	3,924,755	3,833,900	5,845,900	132,381,581	140,509,799	8,128,218
Distributed as under :—							
Capital Expenditure on Public Works (not charged against Revenue) :							
State Railways—Construction	72,704,468	3,387,227	3,819,900	5,838,600	85,750,195	—	—
Redemption of Liabilities -	33,553,451	- -	- -	- -	33,553,451	—	—
Famine Relief and Insurance :							
Protective Railways - -	6,021,064	529,867	- -	- -	6,550,931	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	6,498,043	7,661	14,000	7,300	6,527,004	—	—
TOTAL as above - -	118,777,026	3,924,755	3,833,900	5,845,900	132,381,581	140,509,799	8,128,218

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX II.—*continued.*

TABLE IV.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1895-96, and ESTIMATED EXPENDITURE on such Works in 1896-97 and 1897-98, and to the end of 1897-98.

	Actual Outlay to end of 1894-95.	Accounts, 1895-96.	Revised Estimate, 1896-97.	Budget Estimate, 1897-98.	Total Actual and Estimated Outlay to end of 1897-98.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.							
Orissa Canals	2,566,426	—2,309	1,700	2,600	2,568,417	—	—
Midnapore Canal	826,131	835	1,800	- -	828,766	—	—
Hijili Tidal Canal	236,906	14,600	3,000	- -	254,506	—	—
Sone Canals	2,599,403	1,622	—800	1,900	2,602,125	—	—
North-Western Provinces and Oudh.							
Ganges Canal	2,753,983	36,079	19,000	10,000	2,819,062	—	—
Lower Ganges Canal	3,195,138	18,857	31,000	17,500	3,262,495	—	—
Ditto Fatehpur Branch	5,815	41,106	83,000	96,500	226,421	342,000	115,579
Agra Canal	867,262	11,938	5,900	2,500	887,600	—	—
Eastern Jumna Canal	334,536	17,738	10,000	3,500	365,774	—	—
Punjab.							
Western Jumna Canal	1,117,126	49,676	34,000	20,000	1,220,802	—	—
Western Jumna Canal, Sirsa Branch (State outlay)	274,615	16,210	7,500	3,000	301,325	—	—
Bari Doab Canal	1,694,163	17,096	23,500	10,000	1,744,759	—	—
Sirhind Canal (State outlay)	2,286,665	—1,625	7,800	12,500	2,305,340	—	—
Chenab Canal	1,458,327	263,140	273,400	237,000	2,231,867	2,568,418	336,551
Madras.							
Godavari Delta System	1,091,869	1,338	8,000	500	1,101,707	—	—
Kistna Delta System	1,083,386	54,297	59,300	45,000	1,241,983	1,391,978	149,995
Sangam Anicut System	309,795	1,726	- -	- -	311,521	—	—
Periyar Project	735,604	72,901	6,700	25,000	840,205	847,100	6,895
Bombay.							
Desert Canal	122,604	364	1,200	6,200	130,368	—	—
Begri Canal	162,561	- -	2,400	3,700	168,661	—	—
Eastern Nara Works	609,150	—20,915	13,000	5,000	606,235	619,079	12,844
Jamrao Canal	16,414	104,005	117,900	110,600	348,919	696,653	347,734
Mutha Canals	632,234	3,090	1,900	- -	637,224	621,421	—
Other projects	3,302,334	18,066	37,700	140,100	3,498,200	—	—
	28,282,447	719,835	748,900	753,100	30,504,282	—	—
Deduct,—Outlay incurred from ordinary Revenues	5,544,678	19,868	11,400	3,100	5,579,046	—	—
TOTAL	22,737,769	699,967	737,500	750,000	24,925,236	—	—
FAMINE RELIEF AND INSURANCE. PROTECTIVE IRRIGATION WORKS.							
North-Western Provinces and Oudh.							
Betwa Canal	401,321	733	4,500	2,200	408,754	—	—
Punjab.							
Swat River Canal	350,761	12,271	20,500	1,000	384,532	—	—
Madras.							
Rushikulya Project	368,068	22,648	20,300	16,900	427,916	436,800	8,884
Bombay.							
Nira Canal	530,165	2,594	1,600	600	534,959	573,465	38,506
Other projects	410,643	71	300	4,300	415,314	—	—
	2,060,958	38,317	47,200	25,000	2,171,475	—	—
Deduct,—Outlay incurred from ordinary Revenues	285,434	- -	- -	- -	285,434	—	—
TOTAL	1,775,524	38,317	47,200	25,000	1,886,041	—	—
GRAND TOTAL	24,513,293	738,284	784,700	775,000	26,811,277	—	—

APPENDIX II.—*continued.*

TABLE V.—GROSS TRAFFIC RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1895–96, with REVISED ESTIMATES for 1896-97, and BUDGET ESTIMATES for 1897–98.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.	1896–97.	1897–98.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	2,588	2,588	2,587	2,587	2,587	2,588	2,588
Gross Traffic Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Madras	946,852	979,209	1,049,883	1,054,139	1,117,841	1,090,000	1,090,000
Bombay, Baroda, and Central India	1,422,293	1,435,202	1,518,105	1,630,225	1,785,916	1,510,000	1,600,000
Great Indian Peninsula	4,477,276	3,887,524	3,393,054	3,439,802	3,351,374	3,070,000	3,050,000
TOTAL	6,846,421	6,301,935	6,461,042	6,124,166	6,255,131	5,670,000	5,740,000
Working Expenses.							
Madras	548,041	526,892	519,380	540,037	530,520	550,000	560,000
Bombay, Baroda, and Central India	599,949	579,392	539,789	596,400	653,625	700,000	800,000
Great Indian Peninsula	2,204,413	1,951,238	2,018,061	1,937,418	1,795,748	1,810,000	1,750,000
TOTAL	3,353,303	3,057,522	3,077,230	3,073,855	2,979,893	3,060,000	3,110,000
Net Traffic Receipts.							
Madras	397,911	452,317	530,503	514,102	587,321	540,000	530,000
Bombay, Baroda, and Central India	822,344	855,810	978,316	1,033,825	1,132,291	810,000	800,000
Great Indian Peninsula	2,272,863	1,936,286	1,874,993	1,502,384	1,555,626	1,260,000	1,300,000
TOTAL	3,493,118	3,244,413	3,383,812	3,050,311	3,275,238	2,610,000	2,630,000
STATE RAILWAYS. (*a*)							
Open mileage at beginning of year	*Miles.* 12,757	*Miles.* 13,106	*Miles.* 13,461	*Miles.* 13,086	*Miles.* 14,146	*Miles.* 14,721	*Miles.* 15,385
Gross Traffic Receipts.							
East Indian	*Rx.* 4,957,632	*Rx.* 4,888,869	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Nalhati	9,235	- -	5,122,906	5,248,525	5,493,794	5,420,300	5,300,300
Patna-Gya	60,771	28,650					
Rajputana-Malwa, including Godhra-Ratlam-Nagda	2,205,116	2,247,595	2,315,015	2,513,124	2,350,825	1,970,000	2,250,000
Bhopal	13,088	15,310	16,916	16,163	14,266	18,300	18,300
Palanpur-Deesa	- -	- -	1,458	3,861	3,754	5,100	4,000
Warora Colliery	54,425	54,407	56,147	51,955	54,597	51,700	52,000
Wardha Coal	25,897	23,299	21,056	22,024	19,355	20,200	20,000
Bengal-Nagpur	637,317	603,259	680,890	679,214	657,924	600,000	650,000
Umaria Colliery	27,996	36,524	37,214	42,023	39,620	40,000	42,500
Burma	406,038	695,172	619,009	595,544	655,301	740,000	760,000
Toungboo-Mandalay	210,027						
Mu Valley	13,614	23,154	28,076	32,291	40,853	60,000	- -
Assam-Bengal	- -	- -	- -	- -	42,536	70,000	130,000
Jorhat	6,402	6,641	7,093	7,357	8,076	9,300	10,000
Cherra-Companyganj	1,953	1,846	2,298	2,488	2,565	2,600	2,600
Eastern Bengal	1,146,384	1,182,955	1,249,481	1,438,629	1,431,568	1,480,000	1,520,000
Bengal and North Western and Tirhoot	488,854	538,398	524,159	567,284	567,201	563,000	620,000
Bengal Central	76,110	78,006	78,110	84,226	93,603	94,500	95,000
Oudh and Rohilkhand	879,286	845,934	898,055	1,105,338	974,518	830,000	880,000
Indian Midland	436,012	444,354	432,366	527,667	454,476	485,000	485,000
Bareilly-Pilibhit	1,991	- -	76,662	98,727	81,357	80,000	83,000
Lucknow-Sitapur-Seramau	- -	23					
Lucknow-Bareilly	56,314	69,469					
North Western	3,309,010	2,569,878	3,031,471	3,254,187	3,485,691	2,890,000	3,000,000
Amritsar-Pathankot	11,224						
South Indian	725,984	797,602	781,522	831,320	903,488	905,000	910,000
Mysore	134,356	151,225	159,574	146,404	160,769	158,000	150,000
Bezwada Extension	8,737	9,878	9,292	18,648	231,152	255,000	260,000
East Coast	- -	- -	75,055	158,933			
Bezwada Madras (Nunore Section)	- -	- -	- -	- -	- -	6,000	6,000
Guntakal-Mysore Frontier	- -	- -	29,183	38,280	44,682	42,000	45,000
Mayavaram-Mutupet	- -	- -	- -	21,179	24,654	27,000	27,000
Dhond and Manmad*	30,858	32,834	34,857	38,199	40,824	35,000	35,000
Southern Mahratta	477,303	463,110	576,958	593,923	663,701	645,000	650,000
Hyderabad-Shadipalli	-	6,409	14,253	14,642	17,549	19,000	18,000
TOTAL	16,411,934	15,814,807	16,879,106	18,152,155	18,558,699	17,525,000	18,023,700

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receive a percentage of the gross receipts.

a Includes the length of the Bengal and North Western Railway.

APPENDIX II.—*continued.*

TABLE V.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,643,008	1,607,100	1,564,367	1,758,964	1,884,547	1,840,000	1,800,000
Nalhati	4,818	—					
Patna-Gya	25,983	12,303					
Rajputana-Malwa, including Godhra-Rutlam-Nagda	1,037,885	1,018,701	1,080,780	1,159,520	1,161,503	1,022,500	1,110,000
Bhopal	8,228	9,670	11,712	10,018	9,654	11,000	10,800
Palanpur-Deesa	—	—	568	2,780	2,686	3,700	2,800
Warora Colliery	43,149	50,674	56,683	48,099	40,212	36,300	40,000
Wardha Coal	19,952	19,889	12,164	13,095	11,719	11,700	12,000
Bengal-Nagpur	303,037	309,681	329,705	334,855	329,530	340,000	340,000
Bilaspur-Etawah	—	1,321	—	—	—	—	—
Umaria Colliery	25,976	33,179	34,277	40,041	39,293	40,000	40,000
Burma	228,128	351,915	365,924	350,344	347,382	370,000	447,500
Tounghoo-Mandalay	110,167						
Mu Valley	12,039	54,010	55,342	50,354	62,545	80,000	—
Assam-Bengal	—	—	—	—	32,686	65,000	104,000
Jorhat	6,090	5,495	5,658	5,913	7,435	7,300	7,100
Cherra-Companyganj	1,909	1,750	1,975	2,046	2,311	2,500	2,400
Eastern Bengal	626,279	561,629	542,513	572,185	560,968	590,000	608,000
Tirhoot	2,216	395,397	389,490	411,373	437,903	440,000	458,400
Bengal and North Western and Tirhoot	415,490						
Bengal Central	57,001	53,808	55,114	58,282	61,152	73,000	66,500
Oudh and Rohilkhand	381,473	368,691	377,963	482,205	500,857	447,500	470,000
Indian Midland	267,555	292,086	285,654	300,423	284,851	285,000	290,000
Lucknow-Bareilly	33,108	42,737	47,921	60,199	53,638	53,000	53,000
North Western	1,953,535	1,811,838	1,908,197	1,903,434	1,876,863	1,740,000	1,800,000
South Indian	497,698	507,014	490,754	493,469	542,308	540,000	555,000
Mysore	102,932	98,812	122,894	109,151	109,433	110,000	105,000
Bezwada Extension	5,828	7,038	7,441	9,974	183,920	200,000	195,000
East Coast	—	—	59,599	132,706			
Bezwada-Madras (Ennore Section)	—	—	—	—	—	5,300	4,000
Guntakal-Mysore Frontier	—	—	17,411	24,794	25,358	26,500	26,000
Mayavaram-Mutupet	—	—	—	13,074	15,282	16,700	17,000
Dhond and Manmad*	—	—	—	—	—	—	—
Southern Mahratta	350,996	323,709	428,462	433,013	444,109	455,000	450,000
Hyderabad-Shadipalli	—	6,421	11,407	10,720	12,691	13,000	12,800
TOTAL	8,214,480	7,944,868	8,263,975	8,791,031	9,040,836	8,825,000	9,027,300
Net Traffic Receipts.							
East Indian	3,314,624	3,281,769	3,558,539	3,489,561	3,609,247	3,580,300	3,500,300
Nalhati	4,418	—					
Patna-Gya	34,788	16,347					
Rajputana-Malwa, including Godhra-Rutlam-Nagda	1,117,231	1,228,894	1,234,235	1,353,604	1,189,322	947,500	1,140,000
Bhopal	4,861	5,640	5,204	6,145	4,612	7,300	7,500
Palanpur-Deesa	—	—	890	1,081	1,068	1,400	1,200
Warora Colliery	11,276	3,733	—536	3,856	14,385	15,400	12,000
Wardha Coal	5,945	3,410	8,922	8,929	7,636	8,500	8,000
Bengal-Nagpur	334,280	293,578	351,185	344,359	328,394	260,000	310,000
Bilaspur-Etawah	—	—1,321	—	—	—	—	—
Umaria Colliery	2,020	3,345	2,937	1,982	327	—	2,500
Burma	177,910	343,257	253,085	245,200	307,919	370,000	312,500
Tounghoo-Mandalay	99,861						
Mu Valley	1,575	—30,856	—27,266	—18,063	—21,692	—20,000	—
Assam-Bengal	—	—	—	—	9,850	5,000	26,000
Jorhat	311	1,146	1,435	1,444	641	2,000	2,900
Cherra-Companyganj	44	96	323	442	254	100	200
Eastern Bengal	520,104	621,326	706,968	866,444	870,600	890,000	912,000
Tirhoot	—2,216	143,001	134,669	155,911	129,298	125,000	161,600
Bengal and North Western and Tirhoot	73,364						
Bengal Central	19,109	24,198	22,996	25,944	32,451	21,500	28,500
Oudh and Rohilkhand	497,813	477,243	520,092	623,133	473,681	382,500	410,000
Indian Midland	168,467	152,268	146,712	227,244	169,625	200,000	195,000
Bareilly-Pilibhit	1,991	—	28,741	38,528	27,719	27,000	30,000
Lucknow-Sitapur-Seramau	—	23					
Lucknow-Bareilly	23,206	26,732					
North Western	1,355,475	758,040	1,123,274	1,350,753	1,608,828	1,150,000	1,200,000
Amritsar-Pathankot	11,224						
South Indian	228,286	290,588	290,768	337,851	361,180	365,000	355,000
Mysore	31,423	52,413	36,680	37,253	51,336	48,000	45,000
Bezwada Extension	2,909	2,840	1,851	8,674	47,232	55,000	65,000
East Coast	—	—	15,456	26,227			
Bezwada-Madras (Ennore Section)	—	—	—	—	—	700	2,000
Guntakal-Mysore Frontier	—	—	11,772	13,486	19,324	16,500	19,000
Mayavaram-Mutupet	—	—	—	8,105	9,372	10,300	10,000
Dhond and Manmad	30,858	32,834	34,857	38,199	40,824	35,000	35,000
Southern Mahratta	126,307	139,407	148,496	160,910	219,592	190,000	200,000
Hyderabad-Shadipalli	—	—12	2,846	3,922	4,858	6,000	5,200
TOTAL	8,197,454	7,869,939	8,615,131	9,361,124	9,517,863	8,700,000	8,996,400

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receive a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE VI.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS, of IRRIGATION—MAJOR WORKS, for Five Years ending 1895–96, with REVISED ESTIMATES for 1896–97, and BUDGET ESTIMATES for 1897–98.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.	1896–97.	1897–98.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	37,100	49,766	37,657	33,307	41,722	41,500	44,900
Midnapore Canal	28,470	28,018	30,494	29,468	26,400	24,300	23,300
Hijili Tidal Canal	3,692	5,346	5,920	5,853	6,198	8,500	7,400
Sone Canals	91,009	105,637	93,191	83,776	77,212	94,700	89,400
Ganges Canal	261,685	248,145	251,757	254,969	159,519	325,000	305,000
Lower Ganges Canal	178,594	180,863	181,404	154,918	94,817	244,000	238,000
Agra Canal	60,100	54,280	49,042	63,901	46,059	80,000	96,000
Eastern Jumna Canal	81,294	77,536	95,758	89,581	67,546	114,000	78,000
Betwa Canal	10,229	8,547	7,392	5,912	2,588	12,000	12,200
Western Jumna Canal (including Sirsa Branch)	151,127	117,126	105,433	149,331	131,392	283,100	244,900
Chenab Canal	10,294	19,100	36,217	48,363	104,622	169,400	175,000
Bari Doab Canal	169,840	231,345	203,901	211,375	233,466	264,400	234,500
Sirhind Canal	201,595	243,032	108,665	96,053	134,833	281,000	262,000
Swat River Canal	20,369	28,922	25,599	27,503	24,403	27,000	31,900
Godavari Delta System	11,096	11,974	12,128	12,542	10,998	11,400	11,100
Kistna Delta System	4,831	5,299	5,084	5,374	5,429	5,000	5,300
Sangam Anicut System	74	91	68	54	55	100	100
Desert Canal	974	2,872	1,787	1,685	4,201	3,800	3,800
Begari Canal	1,435	2,961	2,993	2,665	3,771	3,000	3,200
Eastern Nara Works	2,044	2,025	2,090	2,302	2,510	2,600	2,400
Mutha Canals	24,756	22,520	25,128	23,582	27,704	27,000	27,000
Nira Canal	4,449	8,550	7,754	8,187	8,688	8,800	8,400
Other projects	49,680	56,775	60,223	59,886	65,275	65,600	64,300
TOTAL	1,404,737	1,510,730	1,349,685	1,370,587	1,279,408	2,096,200	1,968,100
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	69,008	71,559	71,559	71,559	71,559	71,500	71,500
Lower Ganges Canal	20,959	20,959	20,959	20,959	20,959	21,000	21,000
Eastern Jumna Canal	24,614	24,980	24,980	24,980	24,980	25,000	25,000
Chenab Canal	112	1,752	2,282	11,972	16,878	23,600	29,000
Bari Doab Canal	24,988	11,897	19,263	18,640	17,686	18,100	18,100
Godavari Delta System	215,151	222,382	217,899	226,102	234,847	243,200	271,700
Kistna Delta System	173,970	174,845	186,038	186,690	205,940	250,800	258,800
Sangam Anicut System	814	16,159	16,583	17,622	18,201	18,200	18,400
Desert Canal	1,458	8,969	2,707	10,449	8,030	11,200	11,500
Begari Canal	22,255	30,540	28,440	27,826	23,586	27,700	30,700
Eastern Nara Works	37,197	41,323	40,897	38,430	35,044	39,600	39,900
Mutha Canals	*—718*	*—524*	*—713*	*—629*	*—779*	—	—
Nira Canal	*—213*	*—419*	*—381*	*—400*	*—427*	—	—
Other projects	83,594	97,884	116,413	121,939	145,160	142,000	144,900
TOTAL	673,189	722,306	746,926	776,139	821,664	891,900	940,500
TOTAL REVENUE:							
Orissa Canals	37,100	49,766	37,657	33,307	41,722	41,500	44,900
Midnapore Canal	28,470	28,018	30,494	29,468	26,400	24,300	23,300
Hijili Tidal Canal	3,692	5,346	5,920	5,853	6,198	8,500	7,400
Sone Canals	91,009	105,637	93,191	83,776	77,212	94,700	89,400
Ganges Canal	330,693	319,704	323,316	326,528	231,078	396,500	376,500
Lower Ganges Canal	199,553	201,822	202,363	175,877	115,776	265,000	259,000
Agra Canal	60,100	54,280	49,042	63,901	46,059	80,000	96,000
Eastern Jumna Canal	105,908	102,516	120,738	114,561	92,526	139,000	103,000
Betwa Canal	10,229	8,547	7,392	5,912	2,588	12,000	12,200
Western Jumna Canal (including Sirsa Branch)	151,127	117,126	105,433	149,331	131,392	283,100	244,900
Chenab Canal	10,406	20,852	38,499	60,335	121,500	193,000	204,000
Bari Doab Canal	194,828	243,242	223,164	230,015	251,152	282,500	252,600
Sirhind Canal	201,595	243,032	108,665	96,053	134,833	281,000	262,000
Swat River Canal	20,369	28,922	25,599	27,503	24,403	27,000	31,900
Godavari Delta System	226,247	234,356	230,027	238,644	245,845	254,600	282,800
Kistna Delta System	178,801	180,144	191,122	192,064	211,369	255,800	264,100
Sangam Anicut System	888	16,250	16,651	17,676	18,256	18,300	18,500
Desert Canal	2,432	11,841	4,494	12,134	12,231	15,000	15,300
Begari Canal	23,690	33,501	31,433	30,491	27,357	30,700	33,900
Eastern Nara Works	39,241	43,348	42,987	40,732	37,554	42,200	42,300
Mutha Canals	24,038	21,996	24,415	22,953	26,925	27,000	27,000
Nira Canal	4,236	8,131	7,373	7,787	8,261	8,800	8,400
Other projects	133,274	154,659	176,636	181,825	210,435	207,600	209,200
TOTAL	2,077,926	2,233,036	2,096,611	2,146,726	2,101,072	2,988,100	2,908,600

APPENDIX II.—*continued.*

TABLE VI.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS, of IRRIGATION, &c.—*concluded.*

	ACTUALS.					Revised Estimate, 1896–97.	Budget Estimate, 1897–98.
	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.		
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
WORKING EXPENSES:							
Orissa Canals	39,609	47,551	50,660	45,654	44,205	49,400	56,700
Midnapore Canal	25,733	18,658	20,123	21,630	26,616	25,200	25,900
Hijili Tidal Canal	4,867	3,177	5,422	4,548	5,888	5,200	5,500
Sone Canals	65,208	70,148	69,313	65,465	53,132	57,700	56,500
Ganges Canal	104,938	105,922	106,446	103,086	85,867	103,900	105,700
Lower Ganges Canal	84,774	83,174	80,401	78,520	71,358	80,100	78,300
Agra Canal	23,839	24,591	25,562	25,121	18,185	23,400	26,700
Eastern Jumna Canal	28,439	30,127	32,320	31,260	26,105	30,600	29,500
Betwa Canal	9,795	10,138	9,936	8,999	8,747	9,100	8,900
Western Jumna Canal (including Sirsa Branch)	48,207	49,092	61,307	66,604	76,626	82,600	78,000
Chenab Canal	10,724	25,327	30,911	49,190	41,399	49,100	61,400
Bari Doab Canal	72,424	67,691	56,009	62,499	64,340	68,400	54,000
Sirhind Canal	54,948	65,485	58,242	55,172	60,950	67,300	61,200
Swat River Canal	9,579	9,388	8,815	8,296	9,171	6,200	10,500
Godavari Delta System	51,569	54,694	46,490	48,759	49,558	51,400	48,000
Kistna Delta System	42,038	42,535	46,750	41,621	58,067	74,400	57,500
Sangam Anicut System	3,569	4,434	4,133	3,572	4,795	3,700	3,700
Desert Canal	11,152	9,422	8,525	11,570	5,167	3,200	6,900
Begari Canal	6,314	3,715	2,686	3,452	5,216	5,300	11,600
Eastern Nara Works	8,277	10,194	9,981	12,605	10,998	8,000	9,900
Mutha Canals	7,333	7,977	6,021	7,177	6,595	6,300	7,400
Nira Canal	3,882	5,175	5,491	4,658	4,333	4,900	5,400
Other projects	44,227	45,336	43,413	46,301	49,983	60,700	50,600
TOTAL	761,445	793,951	788,957	799,759	787,301	876,100	859,800
NET REVENUE:							
Orissa Canals	*—2,509*	2,215	*—13,003*	*—12,347*	*—2,483*	*—7,900*	*—11,800*
Midnapore Canal	2,737	9,360	10,371	7,838	*—216*	*—900*	*—2,600*
Hijili Tidal Canal	*—1,175*	2,169	498	1,305	310	3,300	1,900
Sone Canals	25,801	35,489	23,878	18,311	24,080	37,000	32,900
Ganges Canal	225,755	213,782	216,870	223,442	145,211	292,600	270,800
Lower Ganges Canal	114,779	118,648	121,962	97,357	44,418	184,900	180,700
Agra Canal	36,261	29,689	23,480	38,780	27,874	56,600	69,300
Eastern Jumna Canal	77,469	72,389	88,418	83,301	66,421	108,400	73,500
Betwa Canal	434	*—1,591*	*—2,544*	*—3,087*	*—6,159*	2,900	3,300
Western Jumna Canal (including Sirsa Branch)	102,920	68,034	44,126	82,727	54,766	200,500	166,900
Chenab Canal	*—318*	*—4,475*	7,588	17,145	80,101	143,900	142,600
Bari Doab Canal	122,404	175,551	167,155	167,516	186,812	214,100	198,600
Sirhind Canal	146,647	177,547	50,423	40,881	73,883	213,700	200,800
Swat River Canal	10,790	19,534	16,784	19,207	15,232	20,800	21,400
Godavari Delta System	174,678	179,662	183,537	189,885	196,287	203,200	234,800
Kistna Delta System	136,763	137,609	144,372	150,443	153,302	181,400	206,600
Sangam Anicut System	*—2,681*	11,816	12,518	14,104	13,461	14,600	14,800
Desert Canal	*—8,720*	2,419	*—4,031*	564	7,064	11,800	8,400
Begari Canal	17,376	29,786	28,747	27,039	22,141	25,400	22,300
Eastern Nara Works	30,964	33,154	33,006	28,127	26,556	34,200	32,400
Mutha Canals	16,705	14,019	18,394	15,776	20,330	20,700	19,600
Nira Canal	354	2,956	1,882	3,129	3,928	3,900	3,000
Other projects	89,047	109,323	133,223	135,524	160,452	146,900	158,600
TOTAL	1,316,481	1,439,085	1,307,654	1,346,967	1,313,771	2,112,000	2,048,800

APPENDIX II.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE VII.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1896-97 and 1897-98.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1896-97.		Budget, 1897-98.	1896-97.		Budget, 1897-98.	1896-97.		Budget, 1897-98.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.									
RECEIPTS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
Madras	26,00,000	26,50,000	27,00,000	2,17,000	2,21,000	2,25,000	238,300	242,900	247,500
Bombay, Baroda, and Central India	36,75,000	48,00,000	48,00,000	3,06,000	4,00,000	4,00,000	336,900	440,000	440,000
Great Indian Peninsula	66,50,000	65,50,000	60,00,000	5,54,000	5,46,000	5,00,000	609,600	600,400	550,000
TOTAL	1,29,25,000	1,40,00,000	1,35,00,000	10,77,000	11,67,000	11,25,000	1,184,800	1,283,300	1,237,500
ADVANCES.									
Madras	23,00,000	23,50,000	27,25,000	1,92,000	1,96,000	2,27,000	210,800	215,400	249,800
Bombay, Baroda, and Central India	45,75,000	53,00,000	50,00,000	3,81,000	4,42,000	4,17,000	419,400	485,800	458,300
Great Indian Peninsula	45,00,000	41,00,000	40,00,000	3,75,000	3,42,000	3,33,000	412,500	375,800	366,700
TOTAL	1,13,75,000	1,17,50,000	1,17,25,000	9,48,000	9,80,000	9,77,000	1,042,700	1,077,000	1,074,800
NET RECEIPTS.									
Madras	3,00,000	3,00,000	—25,000	25,000	25,000	—2,000	27,500	27,500	—2,300
Bombay, Baroda, and Central India	—9,00,000	—5,00,000	—2,00,000	—75,000	—42,000	—17,000	—82,500	—45,800	—18,300
Great Indian Peninsula	21,50,000	24,50,000	20,00,000	1,79,000	2,04,000	1,67,000	197,100	224,600	183,300
TOTAL	15,50,000	22,50,000	17,75,000	1,29,000	1,87,000	1,48,000	142,100	206,300	162,700
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Ahmedabad-Parantij	7,00,000	9,60,000	3,00,000	- -	- -	- -	70,000	96,000	30,000
South Behar	15,00,000	5,00,000	30,00,000	- -	- -	- -	1,50,000	50,000	300,000
Tapti Valley	- -	9,40,000	85,00,000	- -	- -	- -	- -	94,000	850,000
Mymensing-Jamalpur	- -	1,60,000	9,33,000	- -	- -	- -	- -	16,000	93,300
Brahmaputra-Sultanpur	- -	5,00,000	26,20,000	- -	- -	- -	- -	50,000	262,000
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	3,30,000	1,75,000	3,40,000	—33,000	—17,500	—34,000
Assam-Bengal	- -	- -	- -	3,000	9,000	- -	—300	—900	—
Indian Midland	- -	- -	- -	1,73,000	2,37,000	2,16,000	—17,300	—23,700	—21,600
Indian Midland—Extension	- -	- -	- -	9,91,000	87,000	- -	—99,100	—8,700	—
Bengal Central	- -	- -	- -	99,000	1,15,000	27,000	—9,900	—11,500	—2,700
Bengal-Nagpur	- -	- -	- -	63,000	83,000	—15,000	—6,300	—8,300	1,500
Bengal-Nagpur—Extensions	- -	- -	- -	16,58,000	- -	—41,000	—165,800	- -	4,100
Burma Railways	- -	- -	- -	- -	—2,000	—31,000	- -	200	3,100
TOTAL	22,00,000	30,60,000	1,53,53,000	33,17,000	7,04,000	4,96,000	—111,700	235,600	1,485,700
WITHDRAWALS IN INDIA.									
Southern Mahratta	—69,000	1,00,000	81,000	—12,000	17,000	13,000	—5,700	8,300	6,800
Mysore	2,50,000	1,60,000	2,50,000	62,000	40,000	62,000	18,800	12,000	18,800
Assam-Bengal	23,77,000	34,93,000	- -	10,15,000	14,07,000	- -	136,200	208,600	- -
Indian Midland	5,00,000	—4,95,000	—11,54,000	1,00,000	—99,000	—2,31,000	40,000	—39,600	—92,300
Indian Midland—Extension	40,00,000	23,99,000	23,65,000	8,00,000	9,45,000	9,32,000	320,000	145,400	143,300
Bengal Central	50,000	80,000	4,70,000	12,000	20,000	1,17,000	3,800	6,000	35,300
Bengal-Nagpur	8,58,000	1,30,000	2,77,000	1,98,000	30,000	1,14,000	66,000	10,000	16,300
Bengal-Nagpur—Extensions	75,00,000	84,25,000	93,80,000	17,31,000	34,79,000	37,73,000	576,900	494,600	560,700
Lucknow-Bareilly	1,77,000	1,25,000	12,000	76,000	50,000	5,000	10,100	7,500	700
Burma Railways	- -	34,26,000	51,85,000	- -	14,09,000	21,32,000	- -	201,700	305,300
Ahmedabad-Parantij	12,40,000	13,00,000	3,00,000	- -	- -	- -	124,000	130,000	30,000
South Behar	24,00,000	11,00,000	32,65,000	- -	- -	- -	240,000	110,000	326,500
Tapti Valley	- -	9,40,000	85,00,000	- -	- -	- -	- -	94,000	850,000
Mymensing-Jamalpur	- -	1,60,000	9,33,000	- -	- -	- -	- -	16,000	93,300
Brahmaputra-Sultanpur	- -	20,000	31,00,000	- -	- -	- -	- -	2,000	310,000
TOTAL	1,92,83,000	2,13,63,000	3,29,64,000	39,82,000	72,98,000	69,17,000	1,530,100	1,406,500	2,604,700
Net Withdrawals	1,70,83,000	1,83,03,000	1,76,11,000	6,65,000	65,94,000	64,21,000	1,641,800	1,170,900	1,119,000
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	1,55,33,000	1,60,53,000	1,58,36,000	5,36,000	64,07,000	62,73,000	1,499,700	964,600	956,300

ABSTRACT of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict. c. 67, and 55 & 56 Vict. c. 14).

The Council met at Government House on Friday, the 26th March 1897.

PRESENT:

His Excellency the Earl of Elgin, Viceroy and Governor General of India, P.C., G.M.S.I., G.M.I.E., LL.D., *presiding*.
His Honour Sir Alexander Mackenzie, K.C.S.I., Lieutenant Governor of Bengal.
His Excellency Sir G. S. White, G.C.I.E., K.C.B., V.C., Commander-in-Chief in India.
The Honourable Sir J. Westland, K.C.S.I.
The Honourable Sir J. Woodburn, K.C.S.I.
The Honourable M. D. Chalmers.
The Honourable Major-General Sir E. H. H. Collen, K.C.I.E.
The Honourable A. C. Trevor, C.S.I.
The Honourable M. R. Ry. P. Ananda Charlu, Rai Bahadur.
The Honourable Sir G. H. P. Evans, K.C.I.E.
The Honourable Alan Cadell, C.S.I.
The Honourable J. D. Rees, C.I.E.
The Honourable Sir Lakshmishwar Singh, K.C.I.E., Maharaja Bahadur of Durbhanga.
The Honourable Rao Sahib Balwant Rao Bhuskute.
The Honourable P. Playfair, C.I.E.
The Honourable Rahimtula Muhammad Sayani, M.A., LL.B.
The Honourable Pandit Bishambar Nath.
The Honourable Joy Gobind Law.
The Honourable C. C. Stevens, C.S.I.
The Honourable Sir H. T. Prinsep, KT.
The Honourable H. E. M. James.

FINANCIAL STATEMENT.

The Honourable Sir *James Westland* moved that the Financial Statement be taken into consideration. He said :—" In doing so I have one or two remarks to make. In the first place I have to offer two apologies. My first apology is to the honourable Mr. Charlu, whose suggestion, made last year, that we should accompany our Financial Statement with illustrations and coloured maps, I have been unable to follow. It has not been the custom of the Government of India to do so, nor, so far as I can ascertain, of any other Government, and I hope he will pardon my not being able in this matter to accept his suggestion. My second apology is to the residents of Madras. The Madras Presidency is unfortunately too distant to receive from us a copy of the Financial Statement at the same time that it is issued in Calcutta and Bombay. Judging from the Madras newspapers which have reached me, I am afraid they put this down to malice prepense on my part rather than to the force of uncontrollable circumstances. I am quite sure that, if they only knew the hurry and stress under which the Financial Statement is prepared, they would see that every single additional day that it is possible for us to give to it is of immense service in its preparation. Bearing in mind that a week has to be left at the end of March between the presentation of the Financial Statement in this Council and its discussion by this Council, we are limited to a very few days only for its presentation. The 19th is about the earliest date we can present it, and this year it was nearly the latest also; if we were to postpone it for a few days longer it would cause considerable inconvenience to this Council, as the Council, according to the usual arrangements, dissolves before the end of March. Now, my Lord, we never close our estimated figures until we have received the

fullest information which is obtainable by us regarding the actual accounts of the month of February. Every Treasury in the country makes its report to our officers by telegram, and it is not till the 10th or 11th of March that we have before us the final figures of February which are necessary for us to consider before we close the statement. Now between the 11th and the 19th I desire to give to the Council some sort of information of what work has to be done. In the first place we have to consider the figures that come in to us, and we have to post them in all the statements which have been already prepared for the Financial Statement. Honourable Members can see for themselves in the Financial Statement what the mass of figures in that statement is. The figures are there not by hundreds but by thousands, and I beg honourable Members to remember one thing, and that is that the figures going before them are only the figures of the Budget Statement of the Government of India. There are eight subordinate Governments, and each of these Governments' budgets has to be made up by us at the same time as the statement for the Supreme Government. It will be remembered, therefore, what a tremendous business, in the mere matter of posting figures in statements and correcting them and testing them, has to be done and completed during the short interval that passes between the 11th day of March and the 16th of March. On the morning of the 16th of March we were able to give the final press order to have the statement printed off, so that it might be posted that evening, that is the evening of Tuesday, the 16th. The working of those five days was enough, I fancy, to drive most men into a lunatic asylum, and, if it had not been for the extremely complete arrangements which were made by the Financial Secretary, Mr. Finlay, and by the Comptroller General, Mr. Cox, and by the Departments which work under them, it would have been perfectly impossible to have completed the work by the time we are allowed. I beg, therefore, that the people of Madras will not think that it is out of any disrespect to them, or out of any failure to recognise their position as the senior Presidency in India, that I failed to send to them the Financial Statement at the same time that it was distributed in the junior Presidencies of Bombay and of Bengal. We are doing our best, as I think the Financial Statement itself shows, to bring Madras a little nearer to Bengal. We are spending a very large sum of money upon the East Coast Railway, both in the northern section and in the southern section of it, and in a year or two I hope Madras will be placed in the same position as the other Presidencies so far as regards the reception of the Financial Statement.

"One other remark, my Lord, I desire to make, and that is to point out what seems to me to be the extraordinary position that the Finance Minister occupies in respect to the Financial Statement in this country. Other Finance Ministers when they present their statements have to defend the expenditure proposed against the representatives of the taxpayer. Here the position is exactly the reverse; the Finance Minister is the solitary representative of the taxpayers of India. Of course I do not speak of my honourable Colleagues of the Executive Council who share this responsibility with; me but it is certainly the case in respect of the other honourable Members, that on a discussion of the Financial Statement the general line taken is to press all sorts of expenditure upon the Finance Minister, and to show what very excellent services he would render it if he would only grant money in this direction and grant money in the other direction. Now I desire to explain for a moment, or rather to recall to the remembrance of honourable Members, for they will understand the matter at once if I do so recall it, what this granting of money means. The Government of India possesses no funds of its own. The only funds it can get for any purposes are the funds it takes out of the taxpayers; and every grant of money by us has in the end to fall upon them. Now let me take an example. I will suppose that I am making a proposal that the residents in a certain district in the Punjab should get a meal a day at the cost of the taxpayers of Madras. The taxpayers of Madras would rise in their indignation, and declare that the thing was, on the face of it, absurd. But suppose I make a converse proposition, a proposition that a good supply of drinking water be supplied to the residents of Madras at the cost of the taxpayers of the Punjab. It at once seems a most reasonable and proper thing; only they wrap it up in convenient phraseology, and talk of obtaining an increase of the provincial assignment in order that the provincial Government may make a grant towards their water supply. But, by whatever name called, it is nothing more

more nor less than calling upon the taxpayers outside Madras to contribute towards the supply of an article of consumption to the people of Madras. I think, therefore, that honourable Members should remember that, when we talk of the Famine Insurance Fund, when we talk of Provincial assignments, and when we talk of grants from Government, we are not talking of any ways and means by which rupees can be produced and be made available for the purposes of expenditure. All these are merely systems and methods by which we regulate the appropriation of the money received from the taxpayer on the one side to expenditure on the other side. Half the arguments that are used in supporting the claims made upon us, especially in the matter of Provincial assignments upon which our discussion to day will probably turn, are based upon a sort of assumption that the term 'Provincial assignments' expresses some magic means by which the available funds can be increased by the Government of India by some sort of mechanical operation; and that, when it is discovered that any province can usefully employ more money in expenditure than it at present has at its disposal—and most of the Provinces do find themselves in that position,—it is only necessary to set in operation some mechanical device which Government has at its disposal, and rupees will be produced at nobody's cost. Now we do not grow rupees in the way a peasant grows his grain, nor has the Government of India an unlimited supply of them. I trust that Members, when they are proposing to the Government of India any increase of subsidy or grant or assignment of the kind, and when they are pointing out to us that there is a very large amount of expenditure which can be desirably undertaken by the Local Governments, will remember that they have to show, not only the desirability of the expenditure, but the fairness of levying it, and the fairness of levying it not only on the local taxpayers, but also on other provinces as well as the province in which it takes place. These, my Lord, are all the remarks I have to make before submitting myself to the slaughter, and I have only now to move that the Financial Statement be taken into consideration."

The Honourable Mr. *James* said:—"My Lord, I am glad that it falls to me as junior member of this Council to be the first to felicitate the honourable Financial Member on his Budget. A Budget that shows a deficit of two crores may not seem much a matter of felicitation to him; but, considering this terrible famine and plague, he may well be glad that it is no worse, thanks to his own pith and shrewdness in improving the revenue in various ways since he has been Finance Minister; and, if he is successful in getting us through it without extra taxation, all India may indeed be grateful. My Lord, it is not the function of an official Member to criticise the financial arrangements of the Supreme Government, unless, perhaps, as they did not so many years ago, they double the income-tax, and unnecessarily, in the middle of the year. Finance and currency questions, moreover, are matters for experts, far too complex and technical for plain men to offer an opinion upon, unless they happen to belong to that class who intrude themselves where angels fear to tread. Still even a plain man can feel when he sees his own pockets empty, and even more to when he sees largesse poured into the pockets of his neighbour. I venture, therefore, humbly to make one remark from that point of view. My Lord, with due respect to his Honour the Lieutenant-Governor and the other distinguished members who represent Bengal here, and admitting to the full the unreasoning and unnatural jealousy of Bengal with which Bombay men are always credited, still I venture humbly to submit that Bengal has been far too well treated always, and in this Budget too.

"Bengal is one of the most fertile and prosperous provinces in the world, though just now in Behar the state of affairs may be temporarily sad. She used to be, and ought now to be, an enormous source of income to the State. We know the reason why she is not, because, while the land-tax in other provinces is being continually revised and raised and poured into Imperial coffers, Bengal has a permanent settlement. But, because she does not pay her due share of land revenue to Imperial taxation, that, I submit, is all the more reason why the zamindars should be taxed in other ways, and, especially when money is tight, why expenditure justifiably payable by them should be thrown upon them in the shape of additional taxes or rates. In England we have a permanent settlement, and landowners there pay various taxes, mostly paid on luxuries, such as on male retainers, horses, carriages, and dogs, not omitting

hair powder; in addition they are rated heavily for police, highways, and the relief of the poor. Besides, under the most recent legislation, a zamindar's property in England pays about five per cent. of its value on every change of ownership. I put it, then, to the Council why should not similar taxation and rating be imposed upon Bengal for the relief of other provinces, in addition to what she pays now. I know the Honourable Financial Member has been anxious to deal fairly, so far as his funds admitted, with the Provincial Governments in his new contracts with them. I can testify myself to his great sympathy with, and desire to help, those who are in a tight corner. All the same, I feel pretty sure that his rest at night must now be disturbed by the pitiful wailings and moanings that are being wafted across the continent from those who budgeted for bare efficiency and have found their moderate demands cut down. In illustration of how Provincial Governments are starved, I may remind your Lordship that, when Lord Lansdowne determined that the police throughout India should be put on a proper footing, my honourable friend opposite, now in charge of the Public Works Department, went very carefully into the question of the police in Sind, and reported that two lakhs and thirty thousand rupees were needed for the barest efficiency, while for real efficiency a much larger sum was necessary. By the irony of fate it fell to my honourable friend himself, when he became the guardian of the Bombay provincial finances, to cut down the grant to a lakh and-a-half, and to tell me, almost with effrontery, that I must do the best I could with that. And, my Lord, if the Council reflects what it means to the people if the police are inefficient or underpaid, it can realise how seriously shortness of cash in the Treasury affects them in more ways than one. Take another instance. In the whole Province of Sind the Provincial Government pays for the maintenance of only three miles of road; local rates do all the rest. I come to Bengal, and the first district I visit I see a nice road, and the Collector tells me that the Government give him half a lakh for keeping in order the portion in his own district. No doubt, isolated instances like this may be capable of explanation, but straws show the way the wind blows. I quite admit that the Government of India have not the local knowledge to enable them to select and tax the luxuries of Bengal suitably, but what I should like the honourable Financial Member to say to his Honour the Lieutenant Governor of Bengal is this: 'Your police cost, you say, 50 lakhs per annum. You must raise a police-rate yourself for that amount. You have a Legislative Council on which your ablest and most experienced officials are seated. You have also many non-official members, full of zeal and keenly anxious to use their great oratorical powers for their country's weal. Do you find out whatever represents the carriages and dogs and the hair powder to tax, and the death duties to be imposed. From time immemorial, permanent settlement or no permanent settlement, the zamindars of Bengal have been liable to pay for their police, and they should do it now.' Out of the abundance of authorities for this position, I will only refer the Council to one, a volume written about thirty years ago by a very able young civilian. The work, my Lord, is called the 'History of Jessore,' by Mr. James Westland. At page 73 I read that, even before the settlement, zamindars were expected, by means of their ordinary servants, to protect property and hand offenders to the authorities. In other provinces the people who correspond to the zamindars here *are* called on to meet their obligations in respect of police charges. The taluqdars of the province of Gujarat, for instance, were subjected in 1888 by law to the following obligation:—

> "'The Governor in Council may from time to time determine—
> "'(*a*) What police-officers and establishment are requisite in each village in a taluqdari estate;
> "'(*b*) Charges on account of police shall be defrayed by the taluqdar at such rates as shall from time to time be determined by Government, and, in the event of failure by the taluqdar to pay, at the time when the same becomes due, any sum so payable, the sum shall be recoverable from him, in addition to the jama, as if the same were a part of the jama.'

"These taluqdars are not, as a body, nearly so wealthy as the Bengal zamindars. I would remind the Council that, when Lord Mayo created the system of Provincial responsibility for expenditure, an integral part of his scheme consisted of giving the Local Governments power to supplement the Imperial subsidy

subsidy by local rates. Two taxes were, as a matter of fact, imposed at first in Bombay. The Government of India shortly afterwards stopped this part of the programme. I do not know why, possibly from political motives, or from fear that sources of revenue might be tapped which they desired to reserve for themselves. But India has now advanced, and his Honour the Lieutenant-Governor and his Council are surely as well able to devise suitable local taxation as petty municipalities which already exercise the power. My Lord, it is little less than a scandal that, by the aid of nice conveyancing (is not the word 'nice' a pleasant one?), one should hear of wealthy Calcutta merchants disposing of property worth crores of rupees without paying any dues upon it to Government, or of a great nobleman giving a whole pargana to a relation and paying a conveyance duty of only Rs. 15 or Rs. 20. I daresay the honourable Financial Member would give his Honour part of the probate duties in return for 50 lakhs. Death duties, as they are called in England (the term is not a very pleasant one), are taxes to which the people of this country have always been accustomed. The native name is 'nuzzerana' on succession. Let his Honour collect this according to old usage, and his treasury will overflow without any diminution of his popularity. His Honour could, I daresay, receive the offerings in Darbar, just as the old Subadars of the Delhi Empire did. An heir who pays half a lakh will receive a shawl and his Honour's congratulations. One who has paid a lakh, two shawls. One who has paid three, shawls and a diamond aigrette; and for larger sums, a high-sounding title might be bestowed in addition, and his Honour and the zamindars will part, both mutually satisfied. And then, if the honourable Financial Member gives part of the 50 lakhs he has saved to Bombay and Sind, we shall all go away happy. I feel quite sure, too, if his Highness the Maharaja of Darbhanga will pardon a personal allusion, that, from the knowledge we all have of his Highness's own unexampled generosity and his public spirit, the zamindars of Bengal will, if they resemble him in the very least, meet proposals like mine in a spirit of perfect fairness, though of course no one could expect them to like being taxed. That would not be human nature. I can quite realise that the honourable Finance Member does not see the advisability of trying to impose local taxes himself. He would expose himself to mistakes and consequently to odium, and the native press would call him names. But I am sure of this, that, if you call on Local Governments to make up deficiencies in Imperial grants by extra taxation of their own, of course under careful supervision and sanction, such a policy, more than any other, will make for Imperial economy. As long as the honourable Finance Member's pockets are considered bottomless, so long will Local Governments have to play the ignoble and irritating rôle of the daughters of the horse-leech every five years, or indeed whenever more money is wanted. And we lose a deal of revenue by our obstinate adherence to Western methods. We might, for instance, make a revenue quite legitimately by taxing adoptions, as the king is authorised to do by the Shastras. The sort of thing we do tax is 'appointment in execution of a power, whether of trustees or of property, moveable or immoveable, where made by any writing not being a will,' or rather we mean to tax it, but neither tax-gatherers nor taxpayers understand such a highly technical term. So it cannot be a very fruitful source of revenue.

"Might I also invite the honourable Financial Member to consider a second little question, viz., whether the time has not come to relax the terribly tight leading strings in which the Financial Department keep Local Governments as regards matters of petty detail? I don't refer to his Honour of course. He is on the spot, and has the great advantage of being able to go to the Treasury in person, if he suffers at the hands of the Financial Department. But, since the time when Lord Lawrence told a Committee of the House of Commons that a Presidency Governor was too great a personage to be coerced merely for the trifle of spending a few lakhs without authority, the persistency of the Financial Department has thoroughly succeeded in curbing the desire of Local Governments to break rules. The Accountant Generals are stern, and a Local Government with the Accountant General by its side now-a-days resembles a little boy going out for a walk with his nurse. Supposing the Local Government wishes to reimburse a man from provincial money for some special labour or personal expense, or to carry out some unforeseen work which is needed in a hurry, the Governor asks, so to speak, his nurse: 'Please may I give my penny to that poor man, or may I buy that toy?' 'No, Master

Governor-in-Council. I'm sure your kind grandmamma did not give you a penny for you to spend it in that way, it would be contrary to the Civil Account Code. Put it back again in your pocket at once, or I'll tell her when we get home.' If the cast-iron rules of the Financial Department were relaxed in trivial matters, I am confident Local Governments would be happier, correspondence would be greatly lessened, and the honourable Member would have more time to attend to matters of really Imperial moment. We all profess to lament over-centralisation, undoubtedly it takes the heart out of Governments and men. But, when you come to ask any one to decentralise and part with any power, he is so hidebound by system and perhaps suspicious at heart as to how the power will be used by others, that he always says '*non possumus.*' It requires a very strong and determined man to decentralise.

"Now, my Lord, I come to thirdly and really lastly. I see that the widow's mite yielded by the post office now really shows signs of becoming a 'talent' within a measurable distance of time. It's not exactly a suitable time, when the budget shows a deficit, to suggest more expenditure on salaries. Still I venture to suggest that the honourable Member might spend a little of this widow's mite in improving the position of a most important body of men, the superintendents of post office; the post office really works admirably, and the work is now very onerous. But the pay of the superintendent is the same as it was 25 or 30 years ago, before the post office took up its gigantic money order, savings bank, value-payable, telegraph, and other work. I know perfectly well that a maximum of Rs. 400 rising to Rs. 500 is sufficient for a number of men. They are not worth more, and, if you were to make higher paid grades and you let such men go up by seniority, you might be throwing away money. But there are some valuable men, both Native and European, who are worth more and who have special qualifications and responsibilities. I mean men such as you would send on a Chitral campaign or mark for promotion to the position of deputy postmaster general. Depend upon it, unless you pay the superintendents properly, you will not get this class of men when you need them. In Sind I am given a small allowance which I can distribute as I like to native first-class magistrates, in view of the great responsibility and extra work the possession of these powers entails upon them. Could not the honourable Member give the Director General of the Post Office a sum to distribute as personal allowances to selected superintendents? It will be a cheaper way of doing what is needed than by raising the pay of the higher grades generally, as old fossils are sure to move up and fill them in course of time. Of course selection is to a certain extent invidious, but you can trust your Director General, I should think. I should like to add, in saying this, that I hold a brief for no one. Whatever a non-official member may do, I cannot conceive a more improper thing than for an official member to come here and advocate pecuniary claims of individuals or grades. I have only met two post office superintendents since I last came out to India, and only one of them even alluded to this subject. But I take a warm interest in my old Department: I am keenly anxious that it should not deteriorate, and I feel that the honourable Member must do something. I know that the pay of postmen, of postmasters, and I believe of some postmasters general, has been raised, and rightly so. The superintendents therefore should not, I submit, be left out in the cold."

The honourable Sir *Henry Prinsep* said: "My Lord, it was not my intention to trouble the Council with any suggestions upon the budget, as I do not consider that it is a department of which I can pretend to have any experience. I leave it to others to deal with the various subjects, particularly affecting Bengal, to which reference has been made by my honourable friend on my right (the honourable Mr. James), and I have no doubt when he leaves this room he will leave it a wiser and probably a sadder man. There was only one matter to which I wished to draw his particular attention. He seems to think that, whereas all the revenue was supplied by Bombay, all the necessities were those of Bombay, and that Bengal does not contribute properly towards the revenues of the Government of India. I would specially direct his attention to a statement prepared by Sir James Westland many years ago, and which appeared in the 'Government Gazette,' if I recollect accurately, about seven years ago, representing the amount realised by court fees in the various Presidencies, and *per contra* the expenditure of the courts. Now, this is a matter upon which we judges of the High Court felt very strongly, as representing the judicial

judicial administration; and we have always felt that, whereas the revenue in this department was really supplied by Bengal, it was swallowed up by other presidencies, and they had considerable difficulty in obtaining what we considered to be necessary to Bengal. It was, however, represented to us that this was an imperial question, and that they had to consider the aggregate as representing the revenue and the expenditure. I wish it to be understood that I do not accept all the items which have been charged against the courts in that statement, but let it stand at what we found it. We found, and I hope my honourable friend on my right will recognise this, that, whereas we had in Bengal a surplus revenue of over 14 lakhs, in Bombay the excess of charges over receipts was over 10 lakhs. I leave the other matters represented by my honourable friend for others to notice."

The honourable Mr. *Stevens* said: "My Lord, I do not wish to occupy much of the time of the Council, or to interpose more than a very few remarks before those important criticisms to which I doubt not the Budget will be subjected by those who, from their special knowledge, or from the interests which they represent, have a better title to be heard. Nor will these remarks have more than the very small authority of the individual speaker, for in the presence of his Honour the Lieutenant Governor, who is responsible for the finances of the province, it would not become me to assume a representative character. And yet it would not be right, I think, for me to remain altogether silent as to the financial arrangements which (notwithstanding the Honourable Mr. James) appear to press so heavily on the province in which I serve. I confess that I had not for a moment anticipated the scarcely serious attack which my friend Mr. James, as a 'plain man,' has made on Bengal. I think I may leave it, however, to the 'expert,' the Finance Minister, who knows Bengal, to defend himself against the charge of undue partiality to the province. My own complaint is that he has been severe. It seems to me, my Lord, that a person having no other knowledge of the facts than that furnished by the statement of the Finance Minister, would, not unnaturally, think that Bengal was in the proud and happy position of a province which has had all its reasonable wants supplied, and has been spending money on a scale which, we were told, 'is not the result of any specially enforced economy.' But it will not have escaped notice that, during the first three years of the quinquennial period, the balances were but little in excess of the amount which is taken to represent the minimum compatible with the convenience of the administration, and there could be no greater error than to suppose that there are not highly important improvements, necessary to good government, for which money is urgently needed. I do not propose to enumerate these; still less to support their claims to consideration by elaborate arguments which could have no immediate practical effect. I will mention but one or two.

"In the first rank I would place the reconstitution of the General Hospital, and the improvement to something approaching an European standard of the other large hospitals in Calcutta. The condition of these most important institutions is notoriously very unsatisfactory; yet they are not of mere provincial utility, as regards the patients who resort to them, or as regards their educational functions; and it is not too much to say that, situated as they are in the metropolis of India, and manned as they are by officers selected for their efficiency by a central authority, they ought to be models for the empire. That they should be thoroughly adapted for their purpose demands not merely a preliminary outlay, but a persistent and recurrent expenditure.

"The case of the ministerial officers has always seemed to me to be, in the main, very hard for them, and injurious to the interests of Government. Salaries were for the most part fixed long ago; but, while these have remained practically constant, the expense of living has been gradually and steadily rising, so that the standard either of living or of honest service must have of necessity fallen. I do not attach much weight to the argument that when a post of even trifling value is vacant a host of applicants at once appears. For this there may be more than one reason; but the obligation remains on Government to pay its servants enough for them to live on with sufficient comfort in their several stations. In this direction, then, there is ample and urgent need of improvement; and here, too, the necessary expenditure is not spasmodic and occasional, but continuous.

"I am confident that the personal recollections of the Financial Member of his own experiences as a magistrate in Bengal will support me in my assertion that, considering the dangers, the responsibilities, the powers, and the temptations, which are inseparable from police work, the officers of that department, especially those in the lowest grades, are most inadequately paid. Here, too, it is constant expenditure that is required.

"Another serious want is money for the assistance of local bodies for sanitary improvement, especially for the provision of drinking water. I listened with interest to the remarks of the Finance Minister on this subject, but he has failed to convince me. It does not follow that a grant in aid of the supply of drinking water in one province comes from the taxpayer of another. If aid is given in Bombay, there are taxpayers in Bombay. If aid is given in Bengal, there are taxpayers in Bengal: many more of them than in any other province. The Commissionership of Patna alone contains nearly as many inhabitants as the whole presidency of Bombay. The requirements of modern sanitation are growing more rapidly than the resources of these local authorities, and, if they are to be met at all, demand the assistance of the Government. Such assistance, spread over the whole area of this great province, calls again for increased and continuous expenditure. These, my Lord, are a few instances which will tend to dispel the belief, if anyone (even my friend Mr. James) seriously holds it, in the financial comfort and ease which pervade the Bengal administration.

"It has, I imagine, been the melancholy duty of most of us to offer condolences. Sometimes these are little more than forms, as perhaps we feel that there are circumstances which may tend to mitigate the distress of those with whom we condole. But at other times we are most sincerely sorry, and are distressed to feel how utterly ineffectual our expressions of sympathy must be. I believe that the latter conditions were those in which the honourable Member in charge of the finances penned the 72nd paragraph of his statement. I shall be surprised if his Honour the Lieutenant Governor derives any comfort from these condolences, however ingenious and sympathetic he may deem them. I do not think that he can have been satisfied when he heard that, in relieving him of his heavy balance, and reducing it to half that which is the normal minimum, the Finance Minister has, after all, not taken from him anything that is properly his. It is (we are told) 'not the produce of any provincial revenues in the ordinary sense, but of the imperial grant out of railway revenues not under Bengal administration, which three successive good jute seasons have so enhanced as to give the province a profit in the three last years of Rx. 353,500.' But I think that the view which we in Bengal must take of the transaction is this: the railways in question are situated wholly within the province; they had been managed provincially until for the sake of convenience their administration was made imperial. Whether the administration is provincial or imperial is not for present purposes a matter of any consequence. It is an accident. But the essence of the case is that the railways are in Bengal territory, and parts of them were constructed from Bengal funds; they are fed by Bengal roads and communications, and the profits are directly derived from a Bengal industry. To surrender revenue thus obtained is not, except as a matter of words, to make an imperial grant, but to give back to the province profits which have actually accrued in it and from it.

"The present season so prominently marks the enormous advantage of railway extension in India that no less suitable time could be chosen for questioning the propriety of such a policy. At first sight, however, the thought suggests itself whether in a time of calamity, such as that through which we are now passing, the programme recently sanctioned might not be postponed till a more favourable season, rather than cripple provincial revenues and impede progress in other directions. But the subject of railway extension is your Excellency's peculiar care, and it is not to be doubted that this obvious suggestion has received such consideration as it may deserve, and has been rejected on good and sufficient grounds.

"In conclusion, my Lord, I can only hope that returning prosperity may speedily place my honourable friend the Finance Minister in such a position that he may not have to consider what interests he may sacrifice, but how he may best distribute his benefactions. When this happy time arrives, I trust that he will remember, and remedy, the injuries which he now feels himself compelled to inflict on Bengal."

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The honourable *Joy Gobind Law* said: "My Lord, there is an idea abroad that, considering the times, the programme of railway extension as indicated in the Financial Statement is rather high. I can well imagine that a year ago the Government of India, influenced perhaps to a certain extent by the exceptionally cheap rates for money then prevailing, formulated a scheme of extensive railway construction to be spread over three years. But times have changed since, and the cost of famine relief and the attendant loss of revenue will impose a heavy burden on the finances of India. The exchange and the last loan conversion have no doubt brought a certain amount of present relief, but the latter operation has not been, it seems, an unmixed benefit. Rightly or wrongly, people assume that a Government, when it raises a loan, without any announcement of its temporary character, will let it stand for a reasonable period, and will not seize the first favourable opportunity to reduce its rate of interest. They are persuaded that a Government cannot act in the same way as an ordinary private financial concern might see fit to act. No one disputes the abstract right of the Government in the matter; but, my Lord, there are other considerations which I need not specify, apart from the question of interest, which I have no doubt were duly weighed before coming to a decision. Leaving these other considerations aside, and looking at the operation solely from a financier's point of view, the result does not appear to have been altogether a success. As every one knows, India is not a country where any amount of spare capital was available, and, as financiers in Europe have apparently not taken kindly to our rupee 3 per cents., the result has been that, instead of their being chiefly absorbed in Europe, and thus clearing the way for fresh loan operations, a good portion of these, I understand, stick to us, and refuse to leave us.

"Closely connected with the loan operations is another question, which, though it is nothing new, is one in regard to which it is desirable the public should have some information. I am referring to the subject of a sinking fund. From the way that Indian loans are being piled up, this question at one time or other must have engaged the attention of the Government, but the public, so far as I know, are unaware of the considerations which have influenced the Government in apparently dispensing with it altogether, if the special famine insurance fund is excepted. Strategic railways and similar works, more than any other, seem to stand in need of such a fund, inasmuch as they are not expected to be self-supporting.

"In what I have said I do not wish to be misunderstood, my Lord. I am not expressing any definite opinions of my own on the questions I have raised, or finding fault with the honourable the Financial Member. I am merely seeking for information, while indicating the points which seem to require some elucidation.

"One word, my Lord, in regard to the famine. In the midst of the great and tremendous calamity which has unfortunately visited the people of this country, it is some consolation to them to be able to turn to and observe the deep and active sympathy which it has evoked in the country of our Queen-Empress, in the great colonies and dependencies of the Crown, while the manner in which this dire visitation, unprecedented as it is in its extent, has been met and brought under control, will ever be a subject of admiration to my fellow-countrymen and to the whole civilised world; nor is our admiration and gratitude the less due to those officers and men, from the highest to the lowest, who, surmounting all initial difficulties inseparable from such operations, are now zealously and indefatigably devoting themselves to the noble work of extricating their fellow men from a situation the horrors of which it would be difficult adequately to conceive.

"Before concluding, I wish to refer to certain observations which have been addressed to this Council by the honourable Mr. James. From his references to the permanent settlement, he is seemingly unaware of the benefits, from a revenue point of view, which it has conferred in former years. His observations in regard to Bengal remind me of a remark made by the honourable the Financial Member, that the Indian Government is expected to produce coins by some sort of legerdemain. His remarks would seem to me to be applicable to the honourable Mr. James's references to Bengal."

The honourable *Pandit Bishambar Nath* said: "First of all, I respectfully decline to take the part of a slaughterer, as I profess to be a person of a better avocation, if not an honourable one.

"It may be that the annual Financial Statement cannot be conveniently prepared nearly before the end of the official year, the task being no doubt a Herculean one; it is a pity that the discussion of the Budget should thus come on as a parting function at the fag-end of the session here.

"The occasion of the presentation of the Statement for discussion is certainly not a field-day, as it were, simply for airing our views, or, as is supposed, for giving a vent to pent-up gas. The importance of the duty renders it desirable to bring a calm mind to bear upon the consideration of the several complex arrangements which the Statement summarises on the basis of voluminous accounts.

"As the Budget is overshadowed by an immense loss of revenue, and expenditure due to famine, I think I am not called upon, like last year here, to indulge in a chorus of conventional felicitations; nor do I see any necessity for passing criticisms upon results brought out on the assumption of a probable forecast, which is likely liable to unforeseen variations.

"Though not an expert in Indian finance, I have tried to grasp the broad outlines of the Budget Statement. As I do not propose to go into figures or matters of detail, I shall simply touch upon such points as might occur to me. But, before doing so, I think I may say incidentally that I have been much struck, on referring to the Financial Statement for 1896-97, with what the honourable Sir James Westland, with a statesmanlike sagacity, was pleased to observe in his 'Conclusion,' rather unconsciously. He said, 'I refrain from any prophecies as to future.' These pregnant words were, I now see, really ominous. And, had it not been for his modest reluctance to dive into futurity then and there, the situation, I daresay, would not have proved so disastrous as it is now.

"As we all know, not long after he had spoken thus, signs of trouble began to manifest themselves. The country has since passed through all the stages of widespread distress, till now, when we find nearly the whole country is suffering terribly from the effects of what has been described as the greatest calamity of the century.

"It is not for me here to say what I think will form a proper theme for an impartial historian, when he shall have to add, as a redeeming feature, a bright page to the otherwise dark narrative of a gloomy event, by telling the posterity how gallantly and bravely your Excellency's Government, conjointly with the whole Imperial Administration, met and battled with the stern visitor which is still, unfortunately, stalking and playing havoc in the land.

"While a deep sense of sympathy has been touchingly evinced by Her Most Gracious Majesty the Empress of India, with her characteristic virtue as our Sovereign Lady, the long arm of private benevolence, as your Excellency rightly expected, has been sympathetically outstretched in time, and a bounteous stream of public charity has flowed, as it were, for prompt relief, from the direction of the United Kingdom of Great Britain, its dependencies, Russia, and other far-off countries.

"As famine is the prevailing feature of the Budget Statement, I cannot help observing here, parenthetically, though by no means in a captious spirit, that, by an irony of fate, India is under an unlucky star. In spite of all possible efforts by our Government for expanding the railway and irrigation systems, and adopting various other preventive remedies, famines, more or less destructive, do recur periodically in one part of the country or other, with a deplorable frequency. During the preceding quarter of the present century there have been, if I mistake not, no less than about 17 famines, though not so severe or widespread as the present calamity has proved to be. And there is no use in minimising the gravity of the situation by disguising the fact that the fatal effect of the famine and its inevitable consequences, upon the famished people in the more affected tracts, has been deplorably immense.

"The decrees of Providence being inscrutable, the recurrence of these terrible visitations is attributable, apparently, to the fact that the bulk of the peasantry and people, poor as they are, pursue and depend chiefly upon agricultural operations, the result of which is generally uncertain and influenced by causes beyond human control. The effect of such calamities is disastrous. What

What the country gains slowly in the growth of its population and development of resources, as a natural consequence of an unparalleled reign of peace, attended with its incalculable blessings, it loses enormously, in life and wealth, by frequent attacks of distress and suffering.

"A question naturally arises, why is it so? The answer, I submit, involves many grave considerations regarding which there is yet a great divergence of opinion; and, as the Financial Statement is not the place in connection with which such matters should be discussed with propriety, I purposely refrain from dwelling upon that vexed question. I may, however, be permitted to say that the oft-repeated argument 'that there is not a single country in the civilised world where the amount of taxation is so small as it is in India,' loses much of its force when the comparatively great poverty of its masses is considered.

"Proceeding now with a cursory review of the several heads of account treated in the Budget, I regret to notice that, instead of a complete restoration of finances, affected as they were much in the year 1894–95, the direction of the financial position of the Indian Government during the past period under review has suffered so serious a reverse, that not only the hopes of that restoration have been absolutely frustrated, but that there is reason to apprehend that all future progress must stand still to the great detriment of the several departments where it was needed most.

"The last Financial Statement, as we remember, showed a large improvement, in that the Chitral Expedition was paid for out of Revenue Account, the Famine Insurance 'Grant' or 'Fund,' was restored, and provincial contributions were repaid. Thus, there was a surplus over and above, approximating to a crore and-a-half of rupees. The elasticity and buoyancy in finance that characterised the last Budget are no longer the reassuring features of the present statement. The famine expenditure that has to fall on the Imperial Account, apart from that charged in provincial balances, as well as for land improvements and agricultural advances, is, I gather, five-and-a-half crores of rupees.

"While fully appreciating the determination of the Government of India for preservation of life against starvation, it is a pity that the Famine Code should have provided 'subsistence ration' alone as being quite sufficient for that purpose, leaving the private or public charity to supplement such bare rations with ordinary comforts, equally necessary for perserving life in distress.

"Dealing with the provincial finance, I notice that his Honour the Lieutenant Governor of Bengal was pleased to say here, last year this time, 'that the Supreme Government ought not to sheer too closely each quinquennium.' I am glad to find that the Government of India have in settlement of such finance acted more liberally. As regards the North-Western Provinces and Oudh, an enhanced assignment of five lakhs a year has been made to the amount allotted, besides four lakhs of rupees for the year 1897–98, for enabling his honour the Lieutenant Governor there to establish his District Board Funds on a financially independent basis.

"If, as observed in paragraph 58 of the Statement, the state of provincial finance in the North-Western Provinces had begun to give anxiety even before the outbreak of famine, and, as the result of an inquiry made in 1882, a reduction of taxation in these provinces and Oudh was thought nccessary, the reduction then contemplated should be effected now, without waiting for a further expansiveness of Land or Excise Revenue, which is not likely to advance under the present adverse conditions.

"The extra grant for the reformation of police in the United Provinces is, no doubt, a move in the right direction. Additional efficiency of the police means additional safety to the life and property of the people, and, as such, it is always welcome. On behalf of the provinces which I have the honour to represent, I take this opportunity to thank your Excellency's Government for lending this extra help for the reformation of the police, even at a time when there are other great demands upon the public purse.

"With your Excellency's permission, I shall also beg leave to suggest that at a time of such widespread distress, when every penny at command has to be husbanded to save human life, the replenishing of the military stores might be minimised, and that, as far as it may be practicable to do so, local supplies might, with advantage, be utilised, which is likely to offer additional help indirectly to the suffering millions.

"Not being an expert, I am unable to speak with confidence on any financial question. I may, however, venture to suggest further that the Budget Estimate for 1897–98 of Land Revenue, 'including that due to Irrigation for North-Western Provinces and Oudh,' has been put down at a rather high figure. In the Budget Estimate of 1896–97 it was put down as Rx. 6,113,900, whereas in the Revised Budget of the same year I find it has come down to the low figure of Rx. 4,914,200, or less by Rx. 2,199,700. The present widespread distress is not the only calamity which the people in that part of the country have to meet. Successive bad harvests in previous years have affected their condition seriously. Even if we have a good harvest there in the next autumn, it could bring within their reach only the means of bare subsistence. So that collection of a sufficient amount of revenue cannot be anticipated with certainty. I should, therefore, think it would be more safe to estimate the Revenue at five instead of six crores, which is close upon the figure in the last year's Revised Budget; and, if we err in this estimate, we will have the consolation of our having erred on the safest side.

"It is remarkable that the Land Revenue as assessed in respect of the North-Western Provinces exceeds that of all the other provinces, including the wealthy and important maritime Provinces of Bengal, Bombay, and Madras, and that there is still a tendency towards over-assessment at each new settlement.

"Speaking now generally about the rate of Exchange, I confess I am unable to say anything with the authority that would attach to the opinion of a skilled expert. The rise in the rate of Exchange, as indicated in the Statement, is calculated to secure savings as regards sterling payments, pay of the British troops, and in the cost of exchange compensation allowance. But the uncertainty of saving or losing in respect of so slippery an item is uncontrollable, and must continue to be so, unless some relief should accrue hereafter, by a proper adjustment of the proportion of expenditure as regards what are called the 'Home Charges.' Besides the inherent uncertainty, there is a complex problem concerning the universal adoption of a gold standard, which is not capable of an easy solution; while the controversies raging between the mono-metallists and bi-metallists, or the so-called 'Silverites' and 'Goldbugs,' are extremely perplexing. The tone of European Bourses, ever varying and fluctuating, is another element in unsettling the rate of exchange, besides the fall in the value of silver.

"As regards the amount payable on account of exchange compensation allowance, a saving is expected by a rise in the rate of exchange. The burden itself is a recent imposition, being the outcome of a rather modern demand. If the allowance is to remain a charge, the revision of the pay-sheet, as regards the high dignitaries of the State, is, I venture to submit, necessary, by way of a compensating relief, for the reason that conditions of life in this country have now been largely revolutionised in consequence of the increasing facilities for shortening the period of voyage; while the Indian Civil Service, which has a just reputation of being regarded as the best in the civilised world, is undoubtedly the highest paid.

"As to the large item of ordinary Military Expenditure, including its various heads which involve no inconsiderable amount of outlay, no material reduction can safely be proposed. Our army service, being the bulwark of our defence, it is necessary in the interests of peace that the strength or efficiency of the army should in no way be impaired. But, over and above this expenditure, the payments in England to the Imperial Government on account of disbursements by the War Office in respect of Her Majesty's British Forces serving in India are enormous, and to these disbursements are to be added the charges incurred for Special Defence Works and Frontier Defence, besides a considerable amount of Exchange payable in England.

"As the matter is already under consideration before the Royal Commission of Inquiry into the Civil and Military Expenditure in India, now sitting in England, any observations upon it would be considered superfluous. I only crave permission to quote here what Lieutenant-General Sir Henry Brackenbury is reported to have said recently in his evidence before that Commission.

"The portions I propose to quote are these, viz. :—

"'But I cannot but feel that Britain's interest in keeping India under Britain's rule is enormous. India affords employment to thousands of Britons. India employs

employs millions of British capital, and Indian commerce is of immense value to Great Britain. Therefore, it seems to me that India is being held by Great Britain not only for India's sake but for Great Britain's sake. Great Britain should pay a share of the expenditure for this purpose. In estimating what that share should be, I think that England should behave generously to India, because England is rich and India is poor. . . . .

" 'Another reason why England should be generous to India is that India has no representation. . . . But, where a nation is practically arbitrarily governed, the Government should behave generously to the nation governed. . . .

" 'There is no one who holds more strongly than I do the immense advantage to India of British rule, but I also hold that it is an enormous advantage to England to have India.'

" Moreover, contrasting broadly the amounts spent respectively on account of the relative means of comfort for the two sections of the Army, European and native, one is struck by a fact which, though insignificant, does intrude itself upon one's notice. While every care is taken, as a matter of sheer necessity, for decently housing the European privates in palatial barracks, with all appliances for ease, their comrades, the native soldiers, had, until recently, to build their own lines, receiving a hutting and repair allowance. The old practice is now being gradually replaced by the new system, under which lines on an improved pattern are being built by Government.

" From a summary of the principal features of the Statement under review it is manifest that the Revised Estimates of the year 1896-97 and the Budget Estimates of 1897-98 show considerable deficits, the cause of which is the failure of the monsoon and the consequent scarcity and famine. There is, besides, a loss of land, railway, and opium revenues, with other losses and increases of expenditure. The summary closes with a remark that, while it is intended to raise a loan of Rx. 4,000,000 in 1897-98, 'full liberty is reserved with the Government to vary this intention in any way or to any extent which may be expedient.' I hope the reservation of this full liberty means anything but the imposition of a fresh tax.

" In having ventured to travel so far with the foregoing observations, it will, I hope, be not supposed for a moment that I have attempted to arrogate to myself the *rôle* or position of an instructor, which, to be sure, I do not pretend to fill. Actuated as I am by a sense of duty, I have thought it proper to submit what I had to say, without presuming to claim infallibility for the views I have expressed."

The honourable Mr. *Sayani* said: " My Lord, before offering my observations on the Financial Statement itself, I beg leave to submit a few suggestions.

" The time allowed to members to peruse and digest the Financial Statement, and to consider the same so as to be ready to discuss it in this Council, seems to me to be too short. The usual course adopted appears to be to present the Statement on a Thursday, and to bring it on for discussion that day week. Practically, therefore, only six days are allowed. The Statement contains a mass of figures, in the shape of accounts or actuals for the preceding official year; the estimates and revised estimates, that is, approximate figures, for the current official year about to close; and the budget or estimates for the official year about to commence. The reading and digesting of the whole of this mass of figures necessarily takes up a considerable portion of the time allowed, and, practically, there is very little time left to communicate with our respective provinces, either for information or advice. The Statement is, I believe, ready at least three days before it is actually presented in Council, but is not placed in the hands of members as soon as it is ready, as it is considered advisable to publish it simultaneously in all the important centres. My humble suggestion is that the Statement may be presented on a Thursday, as has hitherto been the practice, but that the discussion thereon may be had on the Saturday instead of on the Thursday week following, as is the case now. The course I am suggesting may possibly necessitate a delay of two days in the removal of Government to the hills, but I humbly trust that in the interest of members, as also of the public, your Lordship will be pleased to extend a sympathetic consideration to my humble suggestion.

" As to the publication of the Statement, the present practice seems to be to place copies in the hands of the Accountant General in each presidency

town, with instructions to deliver them to the public press as soon as the Statement is presented in Council. I humbly suggest that important public bodies in each presidency town may also be allowed to obtain copies simultaneously with the public press. Under the present practice the public press, enterprising and public-spirited as it is, can only publish, not the whole of, but only extracts from the Statement, and that too, not on the same, but only on the following day. If my humble suggestion is acceded to, important public bodies will be afforded an opportunity, if they so desire, of offering criticism themselves, or of communicating instructions to the representative of the province on this Council.

"Coming now to the Financial Statement, its most important features are, (1) (*a*) famine and its ruinous losses and heavy additional burdens, and (*b*) plague and its paralysing effects, and (2) renewal of provincial contracts. The Revised Estimates of the current and the Budget Estimates of the ensuing years are grievously affected by the two dire calamities. 'The main feature,' says the Summary, 'of the Revised Estimate, is the loss of revenue and the expenditure due to famine;' and 'the revenue forecast for the new year is necessarily in sombre colours.' The Statement is full of constant references to 'losses due to the effects of famine,' 'the effects of present scarcity,' 'the amounts provided for famine relief,' 'the stoppage of trade in consequence of the plague,' 'the very peculiar circumstances of the coming year,' 'the restriction of programme by the various local governments, enforced by the great reductions that famine expenditure has made in their available balances;' and it fitly winds up by declaring 'our prospects are for the present marred by the occurrence of widespread famine and of pestilence,' and it is significantly added that this pestilence 'is as yet confined within a narrow area,' thus implying that gloomy as the prospects are they may yet be further darkened. Indeed, the Statement is a perfect tale of woe, and that boasted normal elasticity of revenue so frequently and exultingly put forward in former statements is conspicuous by its absence; the only ray of hope is that afforded by favourable exchange, and this is a mere accident.

"Coming to the famine, it was pointed out in the Despatch of the Secretary of State directing the appointment of the last Famine Commission, that 'it is evident that the protection of the people of India from the effects of the uncertainty of the seasons will constitute in the future no inconsiderable portion of the work of the Government. It is, therefore, a duty to collect with the utmost care all information which may assist future administrators in the task of limiting the range or mitigating the intensity of these calamities;' and the Commission came to the conclusion that all Indian famines were caused by drought, and they expressed a hope that in future famines would 'be gradually diminished in intensity, partly by the more efficient character of the relief given, partly by the extension of the means of communication and development of internal trade, and partly by that greater preparedness of the people to meet them which grows from the increase of thrift and resourcefulness, and the accumulation of capital due to a settled and civilised Government.' They also said that 'a main cause of the disastrous consequences of Indian famines, and one of the greatest difficulties in the way of providing relief in an effectual shape, is to be found in the fact that the great mass of the population directly depends on agriculture, and that there is no other industry from which any considerable part of the community derives its support,' and they add, 'the complete remedy for this condition of things will be found only in the development of industries other than agriculture and independent of the fluctuations of the seasons,' that 'with a population so dense as that of India these considerations are of the greatest weight.' They remark that 'it is not surprising that in a country thus situated material progress is slow.' They go on to say, 'The protection of India against the consequences of drought so immediately depends on the provision of improved means of communication and the extension of irrigation wherever it is practicable with advantage,' that there is a general agreement as to prudent extension of railways and canals. They point out that 'at the root of much of the poverty of the people of India, and of the risks to which they are exposed in seasons of scarcity, lies the unfortunate circumstance that agriculture forms almost the sole occupation of the mass of the population, and that no remedy for present evils can be complete which does not include the introduction of a diversity of occupations, through which the surplus

surplus population may be drawn from agricultural pursuits, and led to find the means of subsistence in manufactures or some such employments.' They also make other valuable and important suggestions, but they need not be here repeated.

" Now, the most important question at the present juncture, arising on the Financial Statement under discussion, naturally is, how far have the recommendations of the Famine Commission, made for the purpose of 'limiting the range' and 'mitigating the intensity of famine,' been carried out?

" So far as railway communication is concerned, it must be cheerfully acknowledged that Government has fully adopted the suggestion and taken all possible measures to carry it out to its fullest extent, and your Lordship has been the staunchest supporter of a most vigorous policy, and the lines which have been already laid and which are to be laid in the near future will be amply sufficient for all practical purposes, so far as they are required for conveying grain from the prosperous to the suffering districts.

" As to irrigation, the suggestion does not seem to have been received with the same favour as that regarding railways. The Commission regarded irrigation as one of the most important remedies against famine. In fact, they speak of railways and irrigation together, and their reason for so doing is easily understandable. Railways undoubtedly render the important service of conveying grain and distributing it wherever it is wanted; but irrigation is capable of rendering a still more important service. It is instrumental in producing and in increasing the produce of grain, and the service, therefore, which irrigation is capable of rendering is in all times, and especially in times of famine and scarcity, of vital importance. Indeed, so far as famine and scarcity are concerned, railways are, in a sense, only auxiliary to irrigation works, for if there is no grain in existence the service of railways cannot be utilised at all. Further, the cost of construction, in the case of irrigation, is almost entirely spent in the country, and does not, therefore, go to swell the drain of wealth outside the country, as is to a very considerable extent the case in the cost of construction of railways. Further, the cost of irrigation is cheaper than that of railways; moreover, it is exactly in the times of famine and scarcity, when all other kinds of revenue, including railway revenue, suffer more or less, that irrigation revenue, as has been well pointed out in the Statement, shows to best advantage, and is, therefore, doubly welcome. It is to be hoped, therefore, that, as soon as the hands of Government are freed from the present exceptional work and anxiety on account of the terrible calamities of famine and plague now unfortunately raging in the country, Government will see its way towards forming and pursuing as vigorous, if not even a more vigorous, irrigation policy as your Lordship has for some time past and is now pursuing in respect of railways.

" It is complained, however, in disparagement of a vigorous irrigation policy that in several cases the financial results of irrigation works have not been satisfactory. It is true that the accounts of several irrigation works do not show any appreciable returns, but such results are not only unexpected but also unnatural, for there is nothing inherent in the nature of the works themselves which should necessarily cause this result. In fact, common sense and common experience of all ages agree in expecting fair results from all ordinary irrigation works, and it is a marvel why some of our works of the present day should be so disappointing. At any rate, the subject is worthy of careful inquiry and consideration, and it is of the utmost importance both to the people and to the Government to sift the matter to the bottom.

" Passing now to the kindred subject of tanks and wells, it was observed by the Famine Commission that 'the cultivators and landlords do something towards the improvement of their land, but mainly in their own traditional way, which mostly takes the form of sinking wells, planting mango and other fruit-trees, making tanks, and reclaiming waste land.' But the cultivators and even a large portion of the so-called landlords are poor. They are 'now in a state of collapse, from chronic destitution and indebtedness, a ready prey to famine and pestilence.' In fact, the Indian rayat is as 'ruined, despairing, and embittered' a human being as can possibly be imagined. Poverty now overshadows the land which was once deemed to be a field of gold. The correctness of this statement can, by facts and figures, be proved up to the hilt, and, though often theoretically denied, has as often been admitted in practice, and the point seems

now to be conceded by the highest authorities; indeed, the poverty of India is staring Government in the face. It is this poverty which at the first blush of the present famine sent up tremendously the prices of food-grains, and threw millions of people on the hands of Government, and compelled us to appeal all over the world for help. But, if further proof is still required to establish the fact, it may be mentioned that in the United Kingdom, where land is not superior to ours, and the physical and climatic advantages not greater, the agricultural earnings per head per annum come to about 4*l.*, and the total earnings to 34*l.*, while in India the whole of the total earnings, including agricultural and all the rest, come to Rs. 27. Indeed, years ago the Famine Commission said, 'Of theses faults' the Indian cultivator 'is generally conscious, but they are largely due to his poverty, and it is of no avail to ask him to correct them as long as he is unable to buy and to feed more and stronger bullocks, to save his manure,' &c. Under these circumstances Government will do well to devise some measure by which agricultural indebtedness may be gradually diminished and ultimately cease to exist. And in this connection I will humbly urge that suitable agricultural banks may be established, and a permanent settlement, with assessment in kind on a sliding scale, may be substituted in lieu of the present rigid system of payment in cash. I have every hope that Government, humane and enlightened as it is, will do everything in its power to help the present sickly and debilitated population to get out of its present pitiable and miserable position, and under improved conditions to develop its energy now dormant, and to gain its physical and mental strength, so as materially to contribute towards the general prosperity of the country, to offer a much wider market to England, and to be a source of strength to the rulers.

"I will here refer in passing to the remark lately made by a high authority that there could be no remedy for famine in India. With all due deference to that authority, I submit that famine in India can be remedied, even most effectually; in fact a higher authority still has many years ago already observed, 'depend upon it, the true remedy against famine and scarcity is the frugality of the people. The people ought in years of plenty to make money enough to lay up against these times of famine,' the people should be placed in a position to be able to exercise frugality. The Famine Commission refer to the 'accumulation of capital due to a settled and civilised Government,' but, on the other hand, there are the counteracting elements of a costly foreign agency, the consequential large annual drains from this country, imperial military policy with its scientific frontiers and constant border wars. It is to be hoped, however, that these counteracting elements will gradually diminish in strength, and also that the labours of the expenditure commission now sitting in England will lead to some tangible relief.

"Coming now to the plague, being the other cause affecting the Budget, it will be readily admitted that, besides being a most fatal disease, it causes considerable loss of revenue in many different ways, and also tends to paralyse the commerce of the country. It is the interest of Government, therefore, to make a careful inquiry into the causes which create or favour the plague, and to take all possible measures to mitigate and to check it and to prevent its reappearance. It has been observed by Sir William Hunter, that 'the chief cause of apprehension arises from the close connection of the Black Death in all ages and on both continents [Asia and Europe] with poverty and bad or insufficient food.' In fact, it is, very largely, the outcome of poverty. The statistics in Bombay establish, beyond doubt, the immunity of the European community in Bombay from this disease, and thus confirm the above opinion. It follows, therefore, that, so long as poverty prevails in India, plague cannot be eradicated from the country, and herein we have an additional reason for making most serious efforts to improve the condition of the *rayats*. Your Lordship recently remarked in another place, 'A university, like every public body, must move with the times. A policy of stagnation in a university, as elsewhere, would justly be termed a policy of despair.' It is to be hoped your Lordship's Government will not allow the country to remain stagnant, much less to fall back, but will do everything to enable it to move with the times, so as to be, if not abreast, at any rate within a measurable distance, of the nations of Europe.

"Referring now to the provision made in the Budget for railways during the ensuing

ensuing year, I have already alluded to the recommendation of the Famine Commission. Railways are, moreover, useful in opening the country. The question, however, arises, whether in this extraordinary year of famine and plague, and when moneys will have to be borrowed both in England and in India, railway extension should not temporarily be stopped, only to be renewed next year, when it is hoped better times will come. The reasons for and against such temporary stoppage seem to me to be evenly balanced; on the one hand, a policy when once deliberately adopted should be carried out, moneys can be raised on advantageous terms, employment will be given to those who on account of famine or scarcity have been thrown out of employment. On the other hand, the circumstances of the country at the present juncture naturally plead against running into further debt.

"Coming now to the question of provincial contracts, it will be readily admitted that this question is of vital importance to administrative progress, and is, therefore, deserving of serious consideration. Our system of provincial finance is not free from fault, and cannot conduce to economy in financial administration, nor favour the progress of internal development or administrative improvement. Unequal and unfair apportionments of revenue as between Imperial and local needs, on the one hand, and as between one province and another, on the other—a standing source of irritation and discontent in itself—short-term settlements not calculated to inspire a sense of security or certainty, periodical re-adjustments of assignments generally resulting in curtailment of provincial resources and impairing the continuity of provincial work, extraordinary provincial contributions levied apparently without convincing reason or clearly demonstrated necessity—these are some of the features of the system, and there is no wonder that they reduce its value, and in its practical working do not show it to much advantage. In fact our present arrangements do not tend materially to promote provincial progress as was originally intended, but, on the other hand, by dissociating power from responsibility and leaving the provincial administrations with uncertain and inadequate resources to meet the requirements of their respective provinces, have simply served to bring to the Imperial Government administrative relief and a freedom from financial anxiety in respect of internal progress which the conditions of the case scarcely justify, and tend moreover to a diversion of its energy and funds to less legitimate objects. In short, if the system of the provincial finance is at all to realise the high expectations of its authors and be a real benefit to the country, it requires, in the light of past experience, a thorough revision.

"The question may be viewed from two different standpoints:—

"(*a*) As a question as between the Imperial Government on the one hand and the provincial administrations on the other, collectively;

"(*b*) As a question as between one province and another.

A far too large a proportion of national income, about two-thirds of the total revenues, is reserved by the Central Government to itself for the general work of the country. Under our present arrangements the Imperial Government has charge of debt, army, foreign relations, railways, irrigation works, post, telegraph, mint, &c., while the entire work of internal ordinary administration is left to the provincial governments—a division of services as between the central and local administrations much the same as in federal states; and yet in the German Empire only 35 per cent., and in Switzerland and in the United States only 50 per cent., of the total revenues are, it is believed, appropriated by the Central Governments. If that is so, surely in a country so circumstanced as India is, and where internal improvement is an object of such paramount importance, a financial system which leaves so little for local requirements cannot be a right one. Our Imperial expenditure, absorbing two-thirds of our national income, is accordingly beyond our means and out of all proportion to what we spend for local purposes.

"While our national revenues are expanding, the provincial governments hardly get their fair share of the increase, and the necessary result is that the internal progress of the country is seriously retarded. Thus, while our revenues, exclusive of railway receipts and local rates, have increased during the past 14 years by about 15 crores, the provincial share of the increase is only about five crores.

"Our provincial assignments, moreover, already so meagre and inadequate for local purposes, and so slow in their increase, are liable to curtailment on periodical revision, which introduces an element of uncertainty calculated to paralyse all solid advance and was not contemplated in the original scheme. Sir David Barbour is strongly opposed to it as calculated to take away all incentive to careful and economical management and to interfere with the continuity of provincial work. Indeed the thing is opposed to all common-sense and reason. When the Imperial and Provincial Governments once fairly start together, each with sufficient and sufficiently elastic revenues, it is only right that, for all future increase of resources required to meet expanding wants, they should rely, except under circumstances of abnormal pressure, on the development of their own respective sources of income. To do otherwise is both economically and morally wrong. I am aware that the difficulties of the central exchequer are urged in justification of the conduct aforesaid. Now the embarrassments of the central treasury can only be either permanent or temporary in their nature. If permanent, let there be a permanent re-adjustment; if temporary, let there be a temporary contribution, but surely there is no justification for revision, or, in other words, asking more and more, at regular intervals. It takes away all elements of permanence and fixity.

"But what adds to the evils of these revisions is the fact that our provincial settlements are short-term settlements. They last only for five years; and, as they fall in, they are revised in favour of the Imperial exchequer and against the provincial administrations. And thus every fifth year our provincial resources are cut down and our provincial progress thrown back. His Honour the Lieutenant-Governor of Bengal last year deprecated it forcibly in this Council. Both Sir David Barbour and Sir Auckland Colvin are in favour of longer terms.

"Further, in cases of abnormal pressure, such as war, the Central Government has the power to demand special contributions from the provinces; but this power is exercised even on ordinary deficits, and on no well-defined basis, and it not unfrequently happens that provincial governments which carefully husband out their resources and exercise economy, have to pay more than those which do not, and economy is thus fined.

"Such is our existing system of provincial finance. Its main features may be thus summarised:—

"(1) The proportion of national revenues allotted to provincial uses is too small and utterly inadequate for local requirements.

"(2) While the revenues of the country are expanding, the provincial governments get no fair share of such increase for purposes of local improvements.

"The provincial assignments, already so meagre, are further liable to curtailments on revisions in favour of the Imperial Exchequer every five years. Financially, these settlements have all the evil effects of short-term settlements, taking away all certainty and stability from provincial administrations, and seriously interfering with the even progress of provincial improvements.

"The provincial governments are, besides, liable to make special contributions even during the currency of such short-term contracts, and that, too, in cases of ordinary emergency—a feature of the present arrangements which imports a further element of uncertainty into provincial finance.

"The whole theory underlying the system is that the revenues of the country, far from belonging to the provinces which raise them or being available for their own requirements, subject of course to the claims of the central administration, to be met by proportionate contributions fixed on some definite principle of population or revenue, constitute a common fund to be absolutely at the disposal of the Central Government, out of which it is to dole out what amounts it pleases for provincial services, and that the provincial governments are only its agents, entrusted with a share of the general work. The financial administration of India has to be taken as a whole, and 'we cannot break up the system into financially separate provinces and make these provinces independent contributories to a central account.' Provincial administration is but a subordinate affair and provincial progress an object of comparatively minor importance. A system of provincial finance conceived in such a spirit and so constructed can never be expected to succeed; and a

study

study of the results of its working during the past 25 years will show how it tends to obstruct provincial progress. These results may be thus summarised.

"The Mayo scheme of 1870–71.

"The measure was inaugurated as a measure of economy. The services transferred were selected as being especially liable to expand, viz., jails, registration, police, education, medical services, &c. Expenditure on all these services was 5·1 crores in 1863–64, and during the four following years it continued to rise until in 1868 69 it amounted to over six crores. In 1869-70 it was nearly the same, but in 1870–71 (after determined efforts) was brought down to the level of 1863–64, *i.e.*, 5·2 crores. The grants for 1870-71 were taken as the basis on which to fix the Imperial allotment for the services, and the start was made with a reduction in the assignments below the standard expenditure amounting to 331,000*l*. The assignments so fixed over 6 per cent. below the normal level were not to be increased for a number of years. The result was that at the end of five years the charges for the assigned services rose only by 20 lakhs for all India, or at the rate of only four lakhs a year, even including such services as education and medical relief.

"The Strachey scheme of 1877–78.

"A large advance was made in financial decentralisation, additional heads of charge were handed over to provincial management, and, besides a fixed Imperial allotment in aid of provincial expenditure, certain sources of income, reserved as Imperial, were given over for provincial use. The resources, so assigned, however, were 5 per cent. lower than the provincialised expenditure—a difference which the provincial governments were to make good out of their own resources. The Imperial gain on the new contracts was full 40 lakhs, Bombay particularly being most hardly treated. During the Afghan war, the Imperial Government levied from the provinces about 67 lakhs as a special contribution. The contracts were declared to be quinquennial, and power was reserved on expiry of the term to revise these agreements and appropriate to Imperial purposes even a portion of the provincial increases of revenues which might have accrued during the currency of the contracts.

"Madras declined to accept the new arrangements, and preferred to continue under the old Mayo scheme. As regards the other provinces, the resources so cut down had the necessary effect of throwing back provincial progress. In Bombay during the five years of the contract we could increase our expenditure on our local services at the rate of only three lakhs a year for the whole presidency, including Sindh. Assam and Burma were worse off. The Central Provinces, Bengal, and the North-Western Provinces, fared better. But all round, as a necessary result of the revision and the curtailment of provincial resources, a check came to be imposed on the growth of provincial expenditure, and provincial improvement was seriously retarded. The total expenditure on education, for instance, rose from 73·8 lakhs in 1877–78 to 99 lakhs in 1880-81, an increase of only 26 lakhs for all India, including Madras.

"The Ripon scheme of 1881–82.

"Provincial finance received a fuller development. The revision of the contracts was carried out in a liberal spirit, the old system of fixed Imperial allotment was done away with, and the provincial governments were allowed a share in the general revenues equal in amount to their provincialised expenditure. This very much improved their position in the general scheme, and gave them a direct interest in both revenue and expenditure. No part of their increases of revenue during the preceding five years was annexed for Imperial purposes; on the contrary, the poorer provinces, like Assam and Burma, received additional grants from the Imperial exchequer. The provincial governments had thus a fair start. In three years' time they were able to raise their income to an extent so as to be able to convert the initial deficit into a substantial surplus.

"The revision of the contracts, 1887.

"No great change was made in the general conditions of provincial contracts, but a large curtailment of provincial resources was effected on revision so as to secure relief to the Imperial finances. A sum of 65 lakhs was resumed for Imperial purposes. Bombay fared worst, being deprived of 22 lakhs; the North-Western Provinces lost 10 lakhs; Bengal the same amount. The provinces had to undergo a period of three years' trial and struggle before they could recover their position.

"The revision of the contracts, 1891–92.

"Considerable re-adjustments were made in the assignment of both revenue and expenditure heads of accounts, with the result that as much as 46 lakhs was resumed by the Imperial Government for its own uses out of the provincial increases of revenue; 13 lakhs of this was from Bombay. The provinces had again to make strong efforts to recover their lost position, and at the end of four years were just able to show a total revenue and expenditure equal to what they had in 1891–92.

"It is clear from the above summary that the system requires to be amended as follows:

"The provincial governments require a larger proportion of general revenues than is at present permitted to them.

"They should further be allowed to share in fair and just proportions in the normal increase of national revenues.

"The revisions of contracts, which exercise a most disturbing effect on the general provincial position, should be either done away with as a normal feature of the provincial system, or at all events the terms of the contracts should be longer than five years—say, ten years, as Sir A. Colvin once recommended.

"The revisions ought not to be followed, as a rule, without reference to the general financial position of the country, by curtailments of provincial resources; the provinces should be allowed to retain their own increases of revenue.

"Special contributions from the provinces ought to cease, except under circumstances contemplated in the Ripon resolution of 1881-82, and the whole arrangements ought to be guided by the central idea that the Imperial Government is as much interested in provincial progress as the Provincial Governments themselves."

The Honourable Mr. *Playfair* said:—"My Lord, the kaleidoscope of Indian finance has, perhaps, never changed with more marked rapidity from bright to dark than during the past year. Disappointing and depressing as the position is compared with the prospects that presented themselves a year ago, perhaps it may not be rash to hope that the deficit budgetted for the coming year will be less than the estimate. Some saving may possibly accrue from a better rate of sterling exchange, and the rest given to the land and the fertilizing influence of the restoring sun, if followed by a strong monsoon, may bring in a season of abundance, and give back to the finances income that as a measure of precaution the honourable Member does not consider it prudent to rely upon possessing.

"The theme of the Financial Statement is, undoubtedly, the famine and its consequences. Closely associated with the prevention of famine lies the question of the movement of the people and their distribution for employment. The depression that has so unfortunately come upon the West Indian sugar industry threatens to close a field for labour that has not been unpopular and unremunerative to some of the people of this country. Recent events on the coast of South Africa have also shown that employment for the natives of India may not be as readily obtainable there as at one time promised.

"It seems all the more necessary, therefore, to consider what resources lie within the Empire, by which the surplus population may find residence and occupation for the good of themselves and for the benefit of their neighbours. In this connection I would invite attention to the advantages that might be gained by the movement of the people to the province of Assam, and to the benefit that the Government of India would confer in bringing this about. The honourable Member, in Paragraph 52 of the Financial Statement, quoting Major Baring, refers to Assam as 'a poor province with many wants.' This condition, unfortunately, remains to this day, but I desire to observe that it is the result of neglect and not of innate poverty. In the Budget Statement of 1882, to which the honourable Member refers, I find that Major Baring, when discussing the desirability of railway communication, quoted an opinion that the soil of Assam is 'of the richest description, and that with sufficient labour there is no limit to its productiveness.' When it is remembered that Assam proper has an area of nearly 21,000 square miles and a scanty population of about 2¼ millions, importing instead of producing and exporting supplies of food, it may be inferred that

that immigration is far below the requirements of the province, and that this accounts for the millions of acres still lying fallow.

"There is an enormous tract of land quite distinct from that suitable for tea, which is well adapted to the cultivation of cereals, jute, and other crops. It is remarkably free from drought, and should now be pouring supplies of grain into Bengal, like the neighbouring province of Burma. Experience has abundantly shown that Europeans cultivating such soil with hired labour can never compete in economy or compensating results with the husbandry of the raiyat. It must remain with the latter to open out these alluvial lands on his own account, and it will have to be left to the landlord, who is the Government of India, to take such measures as may be necessary to bring the cultivator in touch with this soil.

"The tea-planter's is like the voice of one crying in the wilderness. His exertions to secure labour have been great, and, as he can barely satisfy his individual wants, he grudges the loss of those who leave him to cultivate for themselves. Even if there were an overflow from the tea gardens equal to the number of coolies annually imported for the tea industry, it would take more than 100 years to provide this district of the province with a population at all commensurate with its requirements.

"Improved communications may ultimately advance emigration, but progress must be very slow unless Government makes it a special business to move a population from the congested districts for settlement in Assam. I should like to observe that any pecuniary outlay involved in this undertaking would be trifling in comparison with the expenditure that has been incurred by Government, with such marked success, to make the waste lands of Northern India productive. This is not all, for this outlay would be reproductive at once, without the delay that is inseparable from the construction of large irrigation works, while the value of the crops to the State and to the people is not likely to be less important. Feeling assured that Assam cannot be peopled without special effort, I should like to inquire if the Government of India will not undertake this as a protective measure, as well as for the good of the province.

"My Lord, the information given in the Financial Statement under the heading of Railway Construction is of much interest. When the programme is completed, the protection to life and property against famine and the advancement of commerce should be further secured. I would not wish to appear to advocate that any portion of the approved part of this programme should be abandoned because of the present unfortunate occurrence of famine; but, looking to the position of the finances, I should like to ask the honourable Member in charge of finance whether he does not consider it advisable and possible—without incurring undue loss—to temporarily postpone the immediate completion of some of the projects set forth on pages 20 and 21 of the Financial Statement, and thus give some immediate relief to the financial pressure. I refer particularly to new projects and to those lines that are not of pressing importance, including the hill section of the Assam-Bengal Railway. I would also desire to ask the honourable Member in charge of the Public Works Department if he can now disclose to the Council the various railway schemes, comprising 23 projects, aggregating a length of about 3,700 miles of line, which his predecessor in office stated in Council, on the 7th March 1895, had been submitted to the Secretary of State as lines suitable for execution by private enterprise. It will be of additional interest if the Government of India is able to communicate to the Council the recommendations of the Railway Conference held at Simla last year.

"In paragraph 41 of the Financial Statement it is announced that it is the intention of the Government of India to introduce certain improvements in respect of delivery of deferred telegrams, and I shall be glad if my honourable friend, Mr. Trevor, can enlighten the Council with regard to this proposal. I trust that he may be able to hold forth the prospect of serving the public with a four-anna telegraphic message.

"My Lord, one of the most interesting subjects of the Financial Statement is that connected with the quinquennial statement of provincial finance. Referring to this a year ago, my honourable friend, Sir James Westland, corrected a misapprehension which he conceived lay in the mind of the non-official community, that the Provincial Governments surrendered portions of their revenues for Imperial purposes, instead of recognising that the Local Governments receive an

assigned portion of the revenues from the Imperial Government for provincial uses. After studying the Financial Statement, I think it must have become apparent to the minds of most people that it were at least wise in its own interest for a Provincial Government, like Bengal for instance, to spend the full assignment and not lay anything up in a napkin, in case that which is saved be taken away to be given to the province which had spent. It is evident that the community would have gained, had the surplus cash balances alluded to in paragraph 73, upon which the Government of Bengal prided itself, been handed over to the Public Works Department for the improvement of our hospitals or for the construction of additional roads, so much needed in many parts of the province, and specially in the Duars district, or for the satisfaction of other important wants. With the increased requirements of a growing province, the allotment for Bengal, set forth in Schedule B., page 25 of the Financial Statement, means short-commons. The famine is estimated to involve outlay of the provincial funds to the extent of R53½ lakhs, the Imperial contribution being limited to R70 lakhs. It is estimated that the provincial cash balance will fall to R10 lakhs, which is one-half of the statutory minimum. If the latter has to be restored from provincial income, it is evident that all works of improvement must be seriously postponed, and the energy of the Public Works Department be fettered. I understand it to have been laid down by the Government of India many years ago that local reserve funds would not be called upon to meet anything greater than scarcity, and that any accumulation of provincial reserve funds would be free to the Local Government, to be employed in works of a productive or a protective character. Looking to their requirements, I trust that the honourable Member in charge of finance will take the very earliest opportunity of restoring the contributions now being made to the Imperial by the Provincial Governments, for which action there are precedents to guide him. We shall listen with very great interest to the remarks which his Honour the Lieutenant Governor may be pleased to make upon this part of the Financial Statement. I shall not be surprised if his Honour expresses disappointment at being called upon to contribute from his resources to what indisputably amounts to severe famine.

"It is pleasing to have the honourable Mr. James's high opinion of the wealth of Calcutta merchants. Good credit is the next best thing to a good cash balance, but I can assure him that merchants are not permitted, at all events at present, to draw upon their bankers, as the honourable Member considers, as far as I could follow him, departments should be permitted to overdraw their credits with the Financial Department. The honourable Member perceives signs of those riches in the number of dogs in the province, and he would levy a tax upon them to meet the cost of the police. There are objections, however, in Bengal, of which the honourable Member may not be aware, against the levying of direct taxation, and I fear the tax would not be popular; but, as he considers that revenue may be raised from this source, we might hand over the dogs to be taken by the honourable Member for the improvement of the finances of Sindh. The honourable Sir Henry Prinsep has referred, and, if I may be permitted to add, has, I think, very properly referred, to the enormous income derived by the State from the stamp-duties of Bengal, which means an indefensible tax upon justice, while Bombay on this account shows a debit. I would go further and direct the attention of the honourable Mr. James to the large income derived by the Government of India from the Bengal railways, which, after paying interest, amounted last year to something like R159 crores, while the railways in Bombay are a tax upon the general finances. This income is a direct tax upon the raiyat and upon the trade of Bengal.

"I have much sympathy with his Honour the Lieutenant Governor in being asked to accept R27 lakhs in place of R40 lakhs, the half share of the net earnings of the Eastern Bengal State Railway, considering, too, that with the doubling of the line the profits based on present rates may be largely increased.

"I do not object to the earnings of the railway reverting to the Imperial Government, which retains the management of the undertaking. And I do not find myself in agreement with the remarks that have fallen from the honourable Mr. Stevens, for I do not think that the provincial finances should be dependent upon or be replenished by railway rates. I hope that the undertaking will be administered with Imperial purpose for the benefit of the province and trade.

"I shall

"I shall conclude my remarks, my Lord, by asking the honourable Member in charge of finance whether, in view of the continued and serious scarcity of money in the presidency-towns, he can disclose his intentions with regard to the date on which he may invite tenders for the rupee loan, and whether, if the rate of discount is likely to be unduly heavy, he may consider it expedient to raise the rate of interest to 3½ per cent. It will also be of interest if the honourable Member can inform the Council whether he hopes to receive the special support of Native States as subscribers to the loan."

The Honourable *Rao Saheb Balwant Rao Bhuskute* said:—"My Lord, this time last year the Honourable Sir James Westland commenced his Financial Statement with some observations on the Famine Insurance Grant, and pointed out the way in which the Government of India had disbursed this grant during the previous 15 years. In the Financial Statement for this year he has brought the figures up to date. During this period about 30 lakhs were spent on direct famine relief, 8 crores and 30 lakhs in construction of protective irrigation and railway works, 3¼ crores were paid for the interest payable to railway companies, and a sum of 5⅓ crores was shown as the total of debts paid off or borrowing avoided. The balance was stated to have been absorbed in the aggregate surpluses declared during the same period. The honourable Finance Minister congratulated the Government last year, as it showed, in his opinion, that for purposes of famine insurance it was no longer necessary to make provision for a surplus revenue of one crore and a-half per year. The Government of India, thereupon, while restoring the grant to its former position, deemed it expedient to reduce it from one crore and a-half to one crore per year. The latter amount was deemed sufficient to meet all possible famine contingencies over long periods of time. Never were hopes more sadly disappointed than was the case on this occasion, for within a few months of this sanguine prophecy the terrible scourge of a famine, the worst of its kind since the British rule commenced, afflicted all the provinces; and at this time nearly three millions of people are employed on Government relief works, representing a direct and indirect expenditure of nearly three lakhs of rupees per day for the past few months, with a prospect of its continuance at the same rate for another six months at least. The Budget Statement shows that already the expenditure incurred by the Government of India has come up to two crores, and it is estimated that the charge on this account during the current year will probably be over 3½ crores. This is an object-lesson of the unsteady character of all our financial calculations. The present calamity has not, I venture to say, come unawares. For instance, in the Central Provinces especially, there is a regular famine, the outcome of a succession of bad seasons, in almost all the districts except two or three. It will not therefore be safe for the Government of India to reduce the famine insurance grant from its original figures in the way it was done last year, and I trust that the policy of the Government in this connection will be reconsidered by your Excellency in Council.

"When the first great famine occurred in the North-West, about 35 years ago, Colonel Baird was appointed by the Government to submit a report on the subject, and in that report the causes of the recurrence of such a calamity were traced, and definite proposals were made, one of them being the extension of the permanent settlement to all the other provinces of India. Twenty years later, when the next great famine broke out, a Royal Commission inquired into the subject, and made a voluminous report containing suggestions as to the manner in which the evils resulting from the exclusive dependence on agriculture of 80 per cent. of the population could be counteracted to some extent by the encouragement of other industries, both urban and rural. Twenty years have passed since then, and we have to face a famine far more extensive than any that has occurred before. When good times return, it will be very desirable if the Government will take early steps in the directions pointed out by Colonel Baird and the Royal Commission. The experience of the past twenty years sufficiently shows that the construction of railways and irrigation are not sufficient as remedial measures. Railroads only facilitate the transport of grain. They are powerless to provide against a calamity which is really not so much due to the dearth of supplies and stocks as to the inability of the people to procure work and earn their wages. I would therefore suggest that even in this direction no time will be lost in inaugurating the necessary measure.

"My Lord, I cannot but take this opportunity of drawing the attention of the Council to the restrictions which the Government of India have sought to impose upon the purposes to which the disbursements from the famine insurance grants can legitimately be made. In the correspondence between the Government of India and the Secretary of State which preceded the appeal that was made to the generosity of the British and Indian public, it was sought to be laid down that the Government only undertook to prevent deaths from starvation of those who were prepared to earn the famine wages by going to the relief works as labourers, or of those who were physically incapable of earning it. All other forms of distress, including the care of widows and orphans, of old and infirm people, and of men and women not used to work, seemed not to be in a position to be reached by the Government help, and are now supported from private charity. Similarly those who lost their all, inclusive of lands and houses, were declared to be outside the scope of Government help, and private charity was appealed to to find means for restoring them to their homes, to the possession of their lands, and in enabling them to earn their livelihood by agriculture or manual skill. Perhaps this distinction was emphasised with a view to stimulate private charity to be more liberal than it would otherwise feel disposed to be. Whatever might be the motive, this restriction upon the responsibility undertaken by the Government would result in serious consequences, should private charity fail. Except on the assurance that such a munificent private charity would be forthcoming, nobody could ever imagine that the responsibility of the Government was confined only to the bare preservation of life. For life, my Lord, in too many cases is hardly worth living, if, when the famine is over, poor people are left to shift for themselves. It is a question, however, whether those that formulated the scheme of assurance against famine ever contemplated this kind of appointment of the functions of the Government and private charity as embodied in the recent declaration of the Government, and whether to relegate these important functions to private charity is a marked departure which would not have been permitted if the donors of their own accord had raised the money and entrusted its disbursement to the hands of a private benevolent association. But, after all, the most munificent private charity can hardly be expected to give away more than a million pounds, which is but a drop in the ocean of distress to be relieved over such a wide area as is now visited by the famine. Should it become necessary that, in spite of all available private charity, the Government should proceed beyond the limits laid down in their recent resolution, I feel sure that the efforts of the Government will be directed not only to the avoidance of all possible loss of life by starvation, but that the funds will be so distributed as to enable the poor people, on the expiration of the famine, to start in life again with all the help the Government can give them. The Government of India, I feel sure, will not shirk this responsibility when the time comes.

"Of course I am aware that in our present circumstances, of diminished resources under many heads and increased expenditure, this beneficial function cannot be performed without contracting a heavy loan so as to make both ends meet. I am glad to find that it is proposed to raise a rupee loan of four crores in India, and the Secretary of State will reduce his drawings by borrowing 3½ millions sterling in England. On this question of loans there appears to be a steady tendency, notwithstanding the protest of high authorities, to increase our sterling obligations to a larger extent than the rupee debt. In 1892–93 our rupee debt amounted to 102 crores and our sterling obligations exceeded 106½ million pounds. The corresponding figures in 1896–97 were 107 crores of rupee debt and 116 million pounds of sterling obligation. The sterling loans, though nominally bearing as low a rate of interest as 2½ and 3 per cent., really represent, by reason of adverse exchange, a charge equivalent to 6 to 7 crores of rupees, while the charge on the rupee debts has been sensibly reduced by the recent conversions from 4 to 3½ per cent., and 3½ to 3 per cent. The credit of the Government of India now stands so high that it could borrow any amount it wishes at 3½ per cent., and under the circumstances borrowing in England at 2½ or 3 per cent. involves a needless risk. Of course to meet the Home charges there is a certain convenience in the Secretary of State's borrowing sterling loans in England. But this convenience is only temporary, while the risks are far more permanent and burdensome. At least, where money has to be borrowed, not for administrative convenience, but for the purpose

purposes of constructing reproductive public works, it seems to me very inadvisable to persevere in this wasteful policy of borrowing in England. Private companies have been successful in borrowing for railway constructions large amounts of rupee loans at 4 per cent., and there can hardly be any doubt that there will be little difficulty in borrowing the annual sum of three crores and more by way of rupee loans in India.

"If this plan were adopted as a permanent measure of State policy, great benefits would result both to the Government and the investing public. In the past 25 years (from 1870–71 to 1894–95) 116 millions have been borrowed in this way- 86 crores for railway construction and 30 for irrigation. Though these works yield a reasonable profit after defraying management charges, these profits are not high enough to satisfy the interest charged, increased by the amount of exchange, which for many years past has been nearly equal to the actual interest itself. The result is that these commercial undertakings of the Government seldom secure any surplus, and each year we have to pay between one and two crores to make up the deficient interest charged, the total sum thus added to the capital amount in 25 years being 40 million pounds.

"Another reason why these commercial undertakings of the Government do not result in ensuring any surplus is the heavy charge incurred on account of the permanent establishment in supervising and controlling agency. In respect of State railways, the working expenses exceed 50 per cent. of the gross earnings from year to year. This same disproportion is found also in the irrigation works. The direct receipts from the major irrigation works were about two crores, and the indirect receipts 80 lakhs. The indirect receipts may be left out of account, as the Irrigation Department does not collect them. For managing works which have cost 25 crores in construction, and which yield direct receipt of two crores, the establishment charge comes to 80 lakhs a year. I have prepared a statement of some of the irrigation works of Bombay and the Punjab, showing the amount spent and the establishment charge on the works constructed:—

BOMBAY.

Name of Work.	Expenditure on Extensions, &c.	Expenditure on Direction and Execution.
	Rs.	*Rs.*
1. Desert Canal	27,000	12,914
2. Unharva Canal	12,000	12,000
3. Begari Canal	65,000	24,000
4. Eastern Nara Canal	68,000	11,000
5. Hatimati Canal	5,800	1,000
6. Lower Panjra Canal	2,700	3,000
7. Ekrook Canal	4,500	2,700
8. Pravara Canal	2,800	300
9. Mootha Canal	34,000	31,000
10. Ekrook Tank	6,000	5,000
11. Krishna Canal	7,000	3,400
12. Nira Canal	24,000	26,000
13. Mhasvad Tank	9,000	6,000
THE PUNJAB.		
1. Swat River Canal	37,000	26,000
2. Western Jumna Canal (including Sirsa Branch)	3,28,000	3,79,000
Ditto ditto	34,000	27,000
	3,62,000	4,06,000
3. Bari Doab Canal	2,84,000	3,09,000
4. Sirhind Canal	3,98,220	4,13,880
5. Chenab Canal	2,39,500	2,38,500
6. Lower Sohag and Para Canal	39,800	2,400
7. Sidhnai Canal	56,940	34,960

"These figures, if correct, are simply astounding. For every one hundred rupees spent the charge is in some cases cent. per cent., while in most it exceeds 50 per

50 per cent. It is no wonder that, with such a heavy drain for establishment charges, these so-called reproductive works have failed to accomplish the object of those who first started the idea of constructing these works from loans. Their plan was that in course of years these works would yield a surplus out of which to construct new works without their being a charge on the general revenue. If this state of things has not been realised, the failure has been due to the two causes I have stated above. I hope that this matter will not fail to engage the attention of your Excellency's Government.

"Last year I dwelt on the increased expenditure of this country. Last year I also mentioned that a readjustment of expenditure was much needed. I know that more grants to education, effective recruitment of the police force, and other reforms, mean further expenditure. To defray it resort must be had to taxation. But all that is wished for as the greatest desideratum is the redistribution of expenditure. It is no use dwelling this year on taxation and many other sundry points. Your Excellency was kind enough to assure us last year that agriculture had the first claim on your Excellency's attention. And I trust in course of a more favourable time some solid good will come out of your Excellency's Government.

"Turning now to the details of this year's Budget, it may well be described as a Famine Budget, so dominant is the factor of famine in diminishing the resources under most heads, and in increasing the expenditure under many. The improvement in Exchange and Exchange Compensation, and to some extent in Irrigation, though considerable in itself, is rendered nugatory by the falling-off in Land, Opium, Excise, Customs, Forest, and Income Tax, and to some extent in Stamps and Provincial Rates. The charges of administration under Police, Jails, and to some extent the Army charges, have been increased by the payment of compensation to low-paid subordinates. The estimate of Famine charges at 3½ crores would appear to be too low and would have to be increased. It is rather more than doubtful if it is expedient that at such a time as this the Government of India should launch into an extensive scheme of State Railway and Company Railway Works, which would impose upon it the obligation of finding 6 to 7 crores of rupees out of direct revenue for the next three years. These railway undertakings, involving the responsibility of providing 28 crores in three years, have forced the Government to borrow heavily this year, and will impose a further necessity of borrowing for the next two years also. The country cannot be expected to rally from such a famine in the course of a year, even if the rains this year are propitious. The experience of the last Famine justifies the apprehension that distress will not be over for a year or two. Such being the necessary results of embarking on the extensive railway constructions proposed, I would suggest that some other class of relief works, answering the purpose and yet not involving such a heavy expenditure, may be determined upon. When the first duty of the Government is to preserve the lives of many millions of people at any cost, all schemes of improvement should be put off till the times are more favourable.

"There is only one other subject which calls for notice. It appears from the Budget Statement that the Provincial Contract arrangements have been entered into with the local Governments, notwithstanding the strong expression of their desire to put them off till the Famine was over. It is not easy to follow the honourable Finance Minister's remarks in this connection, but, as far as I have been able to understand them, the contracts have been settled in part and left open to further modification in regard to many important heads. It is a very inconvenient arrangement, and it would have been far better if, in compliance with the wishes of the local Governments, the old contracts had been allowed to remain in force at least for another year.

"To sum up the chief points of criticism I have ventured to offer, I would state:—

(I.) That the Famine Insurance Grant should be raised to 1½ crores.

(II.) That after the Famine is over the Government should institute an inquiry to determine how far effect has been given to the two previous Commissions; and to suggest means for preventing, as far as possible, the helplessness of people in time of famine.

(III.) That the restrictions placed upon the responsibility of the Government should be reconsidered.

(IV.) That,

(IV.) That, as far as possible, further borrowings should be restricted to rupee loans, in place of sterling obligations.

(V.) That the enormous proportion of permanent establishment charges, in State public works, should be reduced.

(VI.) That, as the famine is the principal factor in this year's Budget, it is desirable in every way for the Government not to embark on any large scheme of railway expansion directed towards mere improvement."

The honourable the *Maharaja of Darbhanga* said:—"My Lord, the Financial Statement which has now been laid before us has been looked forward to with somewhat mixed feelings. All of us were aware of the fact that the Government had incurred a large expenditure to cope with the famine which has rightly been described by competent authorities as the greatest famine of the century. The public anxiety was great as to how under such circumstances the Finance Minister would balance his Budget. And I must congratulate the honourable Member in charge of the Finance Department upon having presented such a Budget in a year like this of general financial depression. The Government will have spent little less than six millions sterling (taking the sovereign at Rs. 10) upon famine expenditure during 1896–97 and 1897–98. During the great famine of 1876–77 it spent more, and the difference is, no doubt, due to the construction of railways and other protective works which have since been carried out. I do no more than the fairest justice to the Government, when I say that there is a general feeling of gratitude throughout the country for the efforts which are being made by the Government to mitigate the horrors of famine. The policy of the Government in this respect is worthy of a great and a civilised administration. It is not, however, to be expected, having regard to the magnitude of the famine relief operations, that there should not be occasionally cases of death by starvation, and unfortunately there have been reports of such cases in jungle tracts in regard to which, however, I hope the accounts have been greatly exaggerated. However that may be, in a year of severe scarcity, with a large expenditure to be incurred on famine, a hopeful Budget is altogether out of the question. The Budget Estimates for 1897–98 show a deficit of more than two millions and a-half, but a popular feeling will be one of thankfulness to the Government, inasmuch as no new taxes have been imposed to meet the deficit. I believe the utmost limit of taxation has been reached, and new impositions will produce little or nothing as compared to the great dissatisfaction which they are sure to evoke. It is not for me to repeat the words of Lord Mayo when he said that new taxation in India involved a political danger, the magnitude of which it was difficult to exaggerate. But the unsuitability of this country for purposes of direct taxation cannot be gainsaid. For instance, although the income-tax has been in force for a number of years, the inquisitorial methods which are in some cases adopted by ill-paid and corrupt assessors in the mofussil render it a highly unpopular imposition. I myself know of a case where a clerk employed in an income-tax office drawing not more than Rs. 30 a month, has in a bank a big balance of some thousands, which very discreetly is entered in the name of his wife.

"Our financial prospect being what it is, and the imposition of further taxes being impossible, I think we may appeal, with some confidence, for a subsidy from the Home Government. I make this appeal not only as a matter of favour but also as an act of justice. The highest authorities have told us—your Lordship is one of them, for your Lordship's Government only recently protested against India being charged with the ordinary expenses of the contingent despatched to Suakim—the highest authorities, statesmen of the eminence of Lord Northbrook and others, have told us that India has often been saddled in the past with the expenses of expeditions outside the limits of Her Majesty's dominions in India, in which she was but little or in no wise interested, and which ought to have been borne by the English Exchequer. Let me quote an extract from the evidence of Lord Northbrook before the Royal Commission:—

"'I should like to sum up what I have said on this point. I think that India had a fair claim to exemption from the ordinary charges of the Abyssinian war.

The ordinary pay for maintaining the garrison at Suakim after the 10th May 1885, should, I think, be refunded, and, in my opinion, on equitable grounds, 350,000*l.* should be given to India in respect of the Egyptian Expedition of 1882. I do not see any reason why it should be considered that, because India was inequitably and illegally treated during many years, that treatment should not be redressed by some action at the present time.'"

"But this is not all. Many, many years ago, when the Sultan of Turkey visited England, he was entertained at the expense of India. The circumstance may be regarded as a matter of ancient history, and the claim may be considered, in legal phraseology, to be barred by the law of limitation. But equity overrides legal technicalities, and I am convinced that a great and noble nation like the English people will take the broader and more equitable view of the matter; and it is a matter of some regret to find that the precedent created in the case of the Sultan was repeated in connection with the Afghan Prince Sirdar Nasirulla. A part, at least, of the expenses of his entertainment ought to have been paid from the English Exchequer, as he was, after all, the guest of the English and not of the Indian Government. I beg leave here, my Lord, to quote a conversation between Lord Welby, the Chairman of the Royal Commission, and Sir Henry Brackenbury, in this connection.

"The Chairman: 'And you hold that the Indian Government should only pay for keeping order in India? - I think she pays for an army of 70,000 or 80,000 men more than she wants, simply to keep order in India. The army in India is at least 50 per cent. larger than it need be, were it not for matters beyond her frontier. I would let her pay for that Army.'

"'Then your position is that India should pay for a sufficient army to repel invasion on her frontier, and that towards this army England should make a contribution which, according to the War Office figures, represents something like 1,100,000*l.* per annum?—I do.'

"'And that should be the contribution of England for what you call Imperial policy?—Yes. *Per contra,* I think that it would be perfectly fair that India should pay a good contribution to what the navy costs.'

"'You do not think that, since she is interested in keeping her own territory from attack, she ought to pay the whole of the cost?—I think she ought to pay a great portion of it, but certainly not the whole; because she is not the only one interested in keeping another great power away.'"

"Thus, in the opinion of so distinguished an officer as Sir Henry Brackenbury, a part at least of our military expenditure should be borne by the English Exchequer. And this is an additional argument in favour of our asking for a subsidy. So long the burden has been exclusively borne by the Indian taxpayer. In the time of his need he may, therefore, fairly appeal to the Home Government for a subsidy, and I am sure he will not appeal in vain to the generous English nation; for his demand is based upon considerations of justice and equity. For England in the past he has made at least some pecuniary sacrifices, and to the English Government he may appeal for help in a time of pestilence and famine. I trust your Lordship's Government will see their way to press this view of the matter upon the attention of Her Majesty's Ministers in England. The whole of India feels deeply grateful for the magnificent way in which the people of England have unanimously come forward to afford relief to the famine-stricken peasantry of this country in a year like this. What I now request is that the English Government should supplement the good work that has been performed by the generous English public. Any concession of this sort, in a year like this, will, I feel sure, not only be regarded with feelings of the deepest gratitude by the thinking portion of the Indian public, but, what is more, it must go a long way to bind down the two nations in closer bonds of union and love.

"Before I conclude, I wish to say a few words about the remarks that have fallen from Mr. James as regards Bengal and the Permanent Settlement. The honourable Member has, I believe, recommended levying of nazaranas from the zemindars, and has cited the precedent of subadars of the time of the Mogal Governor. This precedent, to say the least, is most unfortunate. I would ask whether the honourable Gentleman has studied sufficiently of Indian history to know that these subadars were vested with most arbitrary powers which were used most oppressively. Does the honourable Gentleman wish the return of those days? Then, too, I beg leave to clear the honourable Member of the misapprehension

misapprehension he is labouring under that the zemindars and raiyats do not pay any local taxes over and above the Government revenue. I would only advise him to study the Bengal revenue laws. If he does so, he will find that the zemindars do pay special taxes, in the shape of road cess, the provincial public works cess, the irrigation cess, and other local taxes. The proceeds of at least one of these taxes, *i.e.*, the road cess, is most usefully spent in the construction of district and village roads. The honourable Member, I believe, expects the Bengal zemindar and raiyat to be taxed for the construction of roads in the province of Sindh. My Lord, I strongly deprecate these unjustifiable remarks on the permanent settlement. The opponents to this settlement do not seem to remember the fact that at the time of the permanent settlement the Government allowed the landlords only 10 per cent. of the gross revenue, and that the Government share was 90. A number of old families were ruined and their estates sold up for arrears of the Government revenue within 20 years of the permanent settlement. And it is most unjust to grudge the zemindars the fruit of their thrift that they are now enjoying. I may just here mention that the zemindars and the raiyats of Bengal have strong legal objection to the collection of any new taxes on land. They may be mistaken. But, if they err, they err in good company. Such eminent Indian statesmen as Sir Erskine Perry, Mr. Ross Mangles, Mr. Thoby Prinsep, Sir Frederick Halliday, agree with their views.

"My friend the Honourable Mr. Playfair has made certain remarks as regards Assam. I wish simply to state, my Lord, that I agree with every word that has fallen from his lips. Assam, if it had been so thickly populated and cultivated as it ought to be, would have been pouring tons and tons of food grain into the famine-stricken districts, as Burma is doing. I look upon the work of bringing the jungle land of Assam under cultivation as a sort of protective work against the famine. I know various plans have been adopted, but with little success. And I would, therefore, suggest the experiment of selling tracts of lands to syndicates and large capitalists. I feel sure that syndicates and capitalists will gladly come forward if the lands are reclaimable, provided that they have to pay a fair price for the land."

The Honourable Mr. *Rees* said: "My Lord, it is gratifying to a Member from Madras to find his presidency described by the honourable Finance Minister as the premier presidency. It is, at any rate, one of the provincial sheep, to use his Honour the Lieutenant Governor's metaphor, which has gathered the most wool in the expiring quinquennium, though I see it just now described as notoriously the most backward part of the empire, an opinion the Calcutta 'Statesman' holds of the territories under the Government of Fort St. George, shared, I think, by no statesman in Calcutta. The Madras Presidency will accept the courteous apology of the honourable Finance Minister. It had, I am sure, no intention of visiting upon his head the fact that it is geographically an extra day distant by post. It is only naturally anxious to have the earliest possible information concerning matters in which its extensive commerce and other great interests are so nearly concerned. When the honourable Finance Minister said that Madras would naturally object to providing meals for the Punjab, or the Punjab to providing waterworks for Madras, it did occur to me that the Madras sheep would long provide meat for the Punjab before all the five rivers of the Punjab would afford one drop of water to the thirsty in Madras.

"Nor would I omit to say with what satisfaction Southern India will learn that the grant for Bangalore water supply which lapsed has been repeated, and how relieved the people of the northern circars and northern coast of Coromandel will be to hear that the famine will occasion no diminution in the contemplated grants for the East Coast Railway connection between Madras and Calcutta, which progresses rapidly towards completion. I do not think anyone who had lately visited the most stricken portions of the North Western Provinces and the Central Provinces could doubt that to persevere with railway extensions, undeterred by the financial exigencies of the present famine, is the only way in which to mitigate its rigour in future years. But for the assistance given to the Great Indian Peninsula Railway by the Indian Midland and Bengal-Nagpur protective lines, great loss of life in these regions would have been absolutely inevitable. The present generation inhabiting the remote and scattered villages of that province have not known famine, and without

improved communications it would have been impossible to provide them with relief. But for the extension of the Southern Mahratta system, the local but severe scarcity in Madras could not have been so effectively treated, or deaths from starvation avoided in the districts of the Bombay Dekkhan, which in past famines have been almost depopulated. But that extensive sections of the East Coast connection are already complete, regions so susceptible of famine as Ganjam and Orissa would have been added to the affected area. Time will show that to persevere in a forward railway policy, even in a year like this, is as wise as it is courageous. Indeed it is a year like this which illustrates most completely its wisdom.

"And this fact suggests a passing reference to the famine grant. Now, though it is clear that, in order not to budget for a deficit, or not to unduly increase a deficit, the exigencies of State book-keeping have made it necessary to exhibit in the accounts a suspended or a reduced famine grant in some out of the last 15 years, I cannot understand what cause honourable Members have to exclaim against the system which gives them occasion to criticise. For in fact, although in those years the Financial Statement showed a deficit, and therefore prevented Government from exhibiting 1½ crores as expended under the famine grant, yet that amount and more was in those and other years spent on protective railways, and not charged to revenue; and, if the accounts of the last 16 years be taken, more, far more, than 24 crores have been spent on the objects for which the famine grant is intended. Unless honourable Members can seriously contend that it is desirable that there should be, as in the good old times, prosperity and plenty in some districts and absolute death and depopulation in others, they must allow that the railways, which have levelled prices and equalised supplies, have proved the best possible protection against famine; and, while they may exclaim against the sheet exhibited by State book-keeping, they cannot possibly find fault with the facts behind the figures.

"If the Government had gone on charging protective expenditure to the famine grant regardless of the deficit, it is not clear how any complaints could have arisen. But my honourable friend Mr. Ananda Charlu will have something to say on this subject, no doubt, and will prefer the dissection of past promises to the acknowledgment of present performance. Honourable Members will remember last year how the honourable Finance Minister offered Mr. Ananda Charlu the ready refutation of a Blue-book, and how firmly but courteously he declined to touch the unclean thing and be enlightened. I do not know if he has yet read it, but in fact my honourable friend has been endowed by nature with so kindly and genial a disposition that, with the best, or, should I say, with momentarily the worst, intentions in the world, he cannot really think ill of anyone, not even of the Government. It is natural that something of a forensic flavour should cling to the utterances of distinguished advocates in Council.

"Nor do honourable Members fairly represent the feelings of the natives of the country in deprecating the speedy extension of railways. There is no presumption in saying this. Such English officers as can and do associate and converse with all classes of Indians, and fortunately it is a large class, can ascertain public opinion far better than can members of the highest class of Hindus. Owing to the water-tight-compartment system of caste, which divides them from large numbers of their fellow-countrymen, they experience great difficulty in ascertaining and in expressing the views of the people. For instance, it is as notorious as it is unfortunate that the masses of the people do not yearn to be educated. Yet those who speak in their name represent them as deeply resenting any diminution of the grants for higher education, in which, of course, they in no way participate. But they do yearn for railways, and appreciate the additions they afford to their material prosperity. They give one practical proof of this by travelling. Even in this famine year, you can see the trains in the most affected tracts crowded with third-class passengers. Alike in British India and in Native States, railway extension is a matter in which the people take the keenest interest, as anyone who is at the pains to ascertain their feelings can testify. Many a distinguished Indian lawyer has sat in this Council, who has passed his whole life in a great city, and is really far more of a stranger in rural India than civil servants, who have an affection for the people, and have learnt their languages in order to find out their real views and wishes, I will not add aspirations, for the masses have none, but desire only increased material prosperity.

"It must fairly astonish all who have studied the history of past famines to

to hear the manner in which one honourable Member opposite has referred to this subject. The Hindus wrote no history, from a prophetic fear, perhaps, lest they should by so doing conduce to the confusion of the latter-day politicians; but the Muhammadans in power encouraged historians, and in the pages of Ferishta and other writers we read of the appalling character of famines in past times—how the people were driven, in order to satisfy their hunger, to expedients wholly foreign to their humane and civilised character; how they drowned themselves in the Jumna in crowds, unable to endure their misery; and how in the beginning of last century the price of grain sometimes rose to 64 times the ordinary rate. That meant—very much less than that meant—absolute depopulation; but now it is no uncommon thing for a normal death-rate to be registered in a famine district, though famine and disease go hand in hand. In fact, now for the first time in history is so widespread a famine being met with anything approaching adequate preparation.

"Other honourable Members opposite struck a note which rings in rural India. In the south of the Allahabad district the people crowded around the collector, Mr. Fuller, crying, 'We owe our lives to the Sirkar.' It is amazing to hear it suggested that famine is the result of over-assessment, and that the people fared better in the good old days. These are very elusive of location, but, assuming they must be post-legendary, as they must necessarily be anti-British, probably the age of Akbar would be selected.

"It was the Emperor Akbar, the most just and popular of all the rulers of the good old times, who said: 'Enough shall be left to a raiyat for the keep of himself and his family till next season, and seed for sowing; the rest is the land-tax.' It is an article of faith that Akbar acted in good faith, and there is no room for the may-and-shall controversy in regard to his drafting. He took about twice the land revenue the Government does from about half the area, and it is recorded that in the reign of his successor the dead and dying in famine times obstructed the highways. My honourable friend will say the agriculturists are poorer now and more highly taxed than they were in the good old times; at least he said so very plainly in an address he recently delivered in this city; but how is it possible to institute any comparison between such a principle or want of principle, and a system under which poor tracts, like parts of the Central Provinces, pay as assessment for division between Government and the landlord something under 5 per cent. of the gross produce, under which dry lands rarely pay more than 10 per cent., and under which 20 per cent. is only exacted under wholly exceptional conditions in regard to irrigated lands of great value, while the incidence of land revenue over the whole of India is about 7 per cent. of the value of the produce? If land is so over-assessed, how does it happen that the rental of irrigated land is three times, and of unirrigated land twice, that of the Government tax? That is nevertheless the case in Southern India, and I have no doubt in other parts of the Empire. Moreover, while the Honourable Mr. Sayani says the people are reduced to the last extremity, the Honourable Mr. Bhuskute, who holds the same faith, rightly points out that the Government of India can borrow as much money as it wants at 3½ per cent. More than this, the honourable Finance Minister will be greatly disappointed if he does not get it at 3 per cent.

"It would be easy to multiply proofs that these positions are baseless, or that any foundation of fact has been crushed beneath a superstructure of exaggeration."

The Honourable Mr. *Cadell* said: "My Lord, there is one aspect of the Financial Statement which is, I think, specially worthy of attention, and that is that, notwithstanding the large expenditure on famine relief, the serious deficiency in railway earnings, and the loss under various heads of revenue, there would have been no deficit at all, had it not been for the consideration shown to the landed classes in the suspension of land revenue due to the State, and in the increased advances made for land improvement and other agricultural purposes. These two items make together a difference of Rx. 3,462,900, which is nearly 75 per cent. in excess of the deficit.

"If I may judge of other provinces from my own, it seems to be likely that, if the advances had been left at the normal amount, it would have been possible, although by no means expedient, to have collected enough of the suspended

land revenue to make good, with the assumed saving in advances, the total deficiency in the accounts. The existence, therefore, of this deficit would seem to be due to the determination of Government to submit to any inconvenience and to incur any expenditure which might be necessary, in order to lessen the burden which the famine had thrown upon the landed classes, and in order to help the agricultural population to contend with the difficulties by which they were surrounded.

"And I think that no one who considers the question carefully in all its aspects, and, above all, no one who has watched the slow recovery, in favourable seasons, of villages the population of which has been dispersed in a time of distress, compared with the quick return to moderate prosperity of villages the people of which have managed to hold together, is likely to doubt that the policy adopted by Government is in every respect the right one, and that it is prudent and businesslike as well as statesmanlike and humane. And nothing will in my opinion more surely tend to render possible the speedy return of prosperity for which the honourable Member hopes, than the very liberal policy, in this respect, which has been adopted by Government.

"And now, my Lord, I pass to the consideration of the Statement as it affects the part of India with which I am more immediately connected, and I am glad to think that my remarks will breathe a greater spirit of contentment than those of some honourable Members who have preceded me. Indeed, I have chiefly to express my gratitude for benefits received, for, if the inhabitants of the North Western Provinces have been unfortunate in being exposed to more widespread distress than their neighbours, they have at least good cause to congratulate themselves on the treatment which they have received.

"With respect to direct famine relief, they have reason to be grateful, not only for the very large expenditure in the provinces, but for the principle on which provincial requirements have been met. This is sufficiently indicated in paragraph 144 of the Statement, in which it is stated that the Government of India 'are unwilling to take any step which would have even the appearance of putting any check on expenditure on famine relief, other than the recognised checks prescribed in the famine codes.' No one could reasonably ask for more than this, and, if the large expenditure on famine relief in the North Western Provinces is a proof of the severity of the distress there, it is also a measure of the liberality with which these provinces have been treated by the Supreme Government. And I know that Sir Antony MacDonnell acknowledges in the warmest terms 'the complete and generous support which he has received in his strenuous and successful contest with famine.'

"We have also been specially favoured in the liberal application to our case of principles laid down by the Famine Commission with respect to the suspension of land revenue and the grant of loans. In both these respects the North Western Provinces have received the fullest consideration, for to them have been allotted nearly half of the total amount of suspensions, and two-fifths of the sum sanctioned for land improvement and agricultural advances throughout India.

"In one of the earliest paragraphs of his Statement the honourable Member has referred to the preparations which during many years have been made for the calamity which has overtaken us, and from these preparations, too, the North Western Provinces and Oudh have derived very marked benefit.

"The canal system of the provinces has been extended and perfected, so that now, with the exception of the Sarda Canal, the probable benefits from which have been doubted by those who are most interested in the country which it would water, and with the exception of the Ken Canal project, which has been discredited by the ill-success of the Betwa Canal, there is no large irrigation work which is at present known to be practicable, and which has not been completed or begun.

"While upon this subject I may mention that I think that there must be some misunderstanding underlying the Honourable Mr. Bhuskute's remarks regarding the high cost of management of canals. Some canals are so unremunerative that their returns might give almost any percentage, but ordinarily there is no department of the State which is better managed, or in which greater attention is paid to economy, or in which Government is better served by its officers. And with respect to railways, the progress which has been made since the last period of scarcity has been most important. Up to the close of 1877–78 the North Western Provinces had not, relatively at least, been neglected;

neglected; there was continuous railway communication from the border of Bengal to the north of the Doab, and the Oudh and Rohilkhand Railway served at least part of the country to the north of the Ganges. But this line had penetrated no farther than Moradabad and Bareilly, and the majority of the sub-Himalayan districts were not accessible by railway. And the Return which I have before me shows that, while much had been done, there was a very distinct lull in construction, for, while there were 1,327 miles of open railway, there were only 20 miles under construction. Eighteen years later the open mileage had been more than doubled, and at the close of last financial year there were 2,835 miles of railway open, and the 573 miles which were under construction, chiefly in Eastern Oudh and in the Gorakhpur division, have proved of very signal service during the present emergency, and the money spent on them has been an additional advantage to the North-West Provinces.

"The large additions which have been made to our railway systems have filled up many blank spaces on the map, but the most important feature of the extensions has been that the sub-Himalayan districts are now traversed by railways from the Ganges to the Eastern boundary, and that to the south the Bundelkhand districts are now served by the two eastern branches of the Indian Midland Railway which meet at Jhansi, and by the continuation which passes on to the south. It was admitted in 1895 that the Lucknow-Sitapur-Pilibhit Railway had, by pouring in grain from the Punjab, saved some of the districts served by it from distress, and, if during the present calamity we have heard so little of difficulty in the supply of grain to impoverished districts, this must be attributed in a large measure to the facility of supply which we owe to the railways, and to the feeling of confidence which this facility inspires. When the history of the present famine comes to be written, it will, I think, be admitted that part of the battle against famine was fought and won during the years of wise preparation which preceded the calamity.

"And, with reference to the objections which have been made to the policy of Government in pressing on the construction of railways in spite of famine, I must say that our experience is strongly in favour of a spirited railway policy even in a time of temporary difficulty.

"Apart from the treatment of them with respect to famine, the North-Western Provinces have an additional ground for thankfulness in the better terms given to them in the new quinquennial settlement. The question of the justice of the old arrangement has been under discussion for some time, and the North-Western Provinces Government has demonstrated more than once the insufficiency of the old assignment. I am glad to see that it is now admitted that the Provinces were harshly treated in 1892: there are many very necessary reforms which have been delayed by the settlement of that year, and, differing from other provinces, we have reason to be glad that the settlement in question has not lasted longer, and that now at length we are done with it.

"I have already stated the opinion that the liberality which has been shown in dealing with agricultural distress is likely to prove the best preparation for a quick return of prosperity as soon as we shall have moderately good seasons, and it may, I think, be hoped that, whatever the expenditure of the year about to begin may be, the estimate of the revenue may prove to be somewhat gloomy and pessimistic. If the stars in their courses continue to fight against the honourable Member, the estimated losses may no doubt be realised; but the consideration shown to the people has left large balances of arrears due to Government, and much of these should be realisable, and some of them, if the rains be at all favourable, should go to swell the receipts of 1897–98, although that year is already affected by the restricted *rabi* area and the injured crops of the present season.

"And, whatever may be before us next year, there seems to be every likelihood that in the near future, at all events, we shall have a return of financial prosperity, hastened and augmented owing to the wise and generous liberality which marks so distinctly the financial statement now before the Council and the famine policy of Government."

The Honourable Sir *Griffith Evans* said: "My Lord, there are many things which my honourable friend Mr. Sayani has said with which I agree, but there are some things with which I must utterly disagree, and one of them is that he has informed us of a golden age in which the raiyats were all happy and contented, and he has—if I understood him aright—also informed us that at present the raiyat is in a sour, miserable, and embittered state, that he is poorer

than he ever was before, and also, if I understood him rightly, that this condition of the raiyat is occasioned by the fact that he is governed by an alien race, and that the money of the country goes to England in order to pay for the Army and Civil Service. My honourable friend Mr. Rees has pointed out that there is no history in which we find this golden age; certainly it does not appear to have been in the Muhammadan era, and it may be that it is only that mythical golden age which all nations have traditions of. But, if it is seriously intended to say that the position of the people has got worse since the English have been here, it is a very extraordinary thing to say in the face of history. We know what the history of this country was when the British assumed the dominion of it. We know that, instead of being a golden age, these grumblers would find, if we could restore them to it, that it was a period of anarchy and bloodshed, with utter insecurity of life and property, no liberty, and no justice. There is no way by which we can restore them to this paradise, if they wish to go back to it, except by leaving this country and leaving them to govern themselves. The native army would no doubt in the end supply them with a military despotism such as frequently existed in this country before the advent of the English. Whether they would like it or not I doubt—in fact, I do not doubt it at all. But there is probably, as there is in all such representations, some distorted fragment of truth, and, so far as I can understand, it is this, that in consequence of the anarchy and bloodshed, and war and famine, and the neglected state of the country, it was comparatively sparsely populated. Taking Bengal — at the time of the Permanent Settlement about two-thirds of it were jungle, which has been reclaimed since that time. Then in the more northern regions it is certain that, owing to bad government, oppression, and one thing and another, there was a much sparser population than there is now, that instead of the raiyats competing for land the landlords were competing for tenants, and from fortified villages revenue could only be collected by an army. That probably is the real explanation of it. That reminds me of what happened in the part of the Ganges Delta when a storm-wave broke over the place and destroyed most of its inhabitants. There were a certain number, however, left, and among them was one of my servants who had a house there, and he applied to me for an advance to rebuild it. I condoled with him because six of his relations and four children and most of his neighbours had perished, and he said there were compensating circumstances for those who remained behind, because few people would care to come there, as it was such an insecure position. Land would be plentiful and rents low.

"These 'praisers of the past' are mostly well-to-do men whose prosperity is the outcome of this alien Government. They have a security of property and a liberty which they never had before, but they take hold of the poor raiyat and say this poor raiyat is in a comparatively worse state, not because the raiyats have increased owing to peace, order, and protection, not because the increase of the population in the congested districts presses upon the resources of the soil, but they say it is the drain of a foreign Government. I think this is the first time I have heard this doctrine propounded here in Council, and I must protest against it, because I do not believe that any one of the men who propounds this doctrine would do anything save hold up his hands in horror, if he thought that the English were really going away and the country was going back to the condition it was in when they came. That there is much poverty we all know, that there is discontent because we have allowed the money-lender to use our legal machinery to divorce the peasantry from the land, I believe—also that many of our well-meant efforts to benefit the raiyat have been failures—but that is another story.

"Now, leaving this matter, I turn to the Budget. I agree entirely with what has been said by the Honourable Mr. James, that it ought to be a source of congratulation to us that, in the face of the plague and the famine, the deficit is so small. We find from the Revised Estimates of 1896–97 that from the direct payments for famine and the shrinkage of the revenue the total loss comes to over six crores, and the estimated deficit is only about two crores. No doubt part of this difference is made up by about $1\frac{1}{2}$ crore gained by rising exchange —a fortunate thing, but not a thing we can depend upon. There are also various economies.

"When we come to the Estimates of 1897–98, we find the same position of things appears. It is a year of plague and famine, and no man can tell how much famine there will be and how much plague. The honourable Financial Member

Member has pointed out that the estimates of the future loss by famine must be entirely uncertain, and that we can only make such an estimate upon the materials we have. If there is a good monsoon and if the exchange keeps up at the rate it is now, or goes still higher, it is perfectly possible that there may be no deficit at all. It may be that the increased revenue under the various heads, together with the rise in the exchange, may obliterate the deficit altogether. But, on the other hand, in case things go against us, and if plague should increase, and if there should be another scanty rainfall, then no doubt there would arise a situation so bad that no financial member of Council could very well dare to contemplate it. But with regard to that we must hope for the best. We have no reason to believe that there will be another bad season, and, even if there were, we have no doubt a large power of borrowing in reserve, and there is no doubt that the money which has been invested out of the famine surplus in protective railways and in the reduction of debt, gives us a very large reserve to fall back upon in order to borrow, supposing things should become worse. As regards these protective railways I wish to remark that many are not only protective but also productive, and we see from this Budget that sometimes they are moved into one category and sometimes into another. The meaning of that is that, although they act as protective, they are also productive. That, therefore, is practically an investment of the famine surplus in the reduction of the debt which we otherwise should have incurred in making these very same railways which we have made out of the famine surplus. Therefore, as I understand it, there is not only available for borrowing purposes five crores, which are put down in this Budget as having been spent in the reduction or avoidance of debt, but there is also a very large amount which we could fairly borrow against as having been spent upon productive railways. Practically, all we should have to do would be to charge them back to the capital account they would have gone into if they had not been made out of the surplus revenue. This, of course, strengthens the hands of Government.

"As regards any demands on the treasury—it is impossible to make any this year. There is no doubt that the treasury must be treated as empty, and nothing can be done except to meet the current expenses of the administration, and wait and, to use a nautical phrase, to lie close-reefed until the storm is over.

"That the Government of India takes a hopeful view of the situation is shown by the fact that Government is going on with a large expenditure on capital account and making railways out of borrowed money to the extent of about 10 crores of rupees, borrowing partly in England and partly in India; the English borrowing being $3\frac{1}{2}$ millions sterling, which is equivalent to about $5\frac{1}{2}$ crores of rupees, and the borrowing here being about four crores. If the honourable financial Member is able to get that four crores at 3 per cent., he will apparently be fortunate, looking at the present state of the market. But he knows best, and I suppose he sees his way to doing it. Now this policy of continuing the expenditure on capital account is no doubt a bold policy; timid people would undoubtedly under these circumstances reduce it as much as they could. It would not be possible, I take it, for anybody to reduce it altogether, because some of the expenditure is practically incurred already, and a great deal of it could not be stopped without an enormous amount of waste and loss. But it may be that there is a certain amount which could be postponed, supposing that it were really considered desirable to do so. But, having regard to the fact that if this famine goes over without causing more expense than appears on these estimates, or even if it does cause some more, yet if it does not cause very much more, it is tolerably certain from this Budget that, with the large amount of revenue that is coming in, as soon as the trouble is over, next year we shall see a very large surplus. It is apparent from the figures that that would be the case supposing all these losses which arise from the famine come to an end, and it is pointed out by another honourable Member that we should under these circumstances get back a very large quantity of the suspensions of land revenue that have been made under the present circumstances. Therefore, unless one takes the gloomy view that we are the object of the wrath of the gods and that we are likely to have also a third bad season, there is no very serious cause for alarm, although there is no doubt cause for economy for the time being in our revenue administration. As regards the question of whether it is a wise policy or not, it must be left for the future to say. The Government of India

have no doubt considered the matter thoroughly. They have adopted a bold policy, and, if it is successful, if no unforeseen catastrophe happens, it will no doubt turn out to be a wise one. It is a bold policy, and I hope it will be a fortunate one.

"Although, as I have said, the treasury is empty and this is no time to make demands upon it, there is one institution for which I must say a word as regards the future That is one which has been mentioned by the Honourable Mr. Stevens—the General Hospital in Calcutta. Honourable Members are probably aware that there was a report issued and a resolution of the Government which was published in the *Calcutta Gazette* on the 25th November 1896. That report and that resolution are instructive reading. It appears that this hospital consists of very ancient buildings, completely unsuited to modern requirements. As to the hospital buildings, one of them was purchased by Government from a native gentleman in 1768, and two of them were built in 1795. The hospital appears to have had very little done for it, but to have remained in the hands of the Government of India for a great many years, and then to have been handed over to the Government of Bengal. In addition to that, it appears that the port-dues collected between 1868 and 1895 amounted to 16 lakhs of rupees; but nothing practically has been done to the hospital. I will only quote one paragraph from the report in order to show what the position of the hospital is.

"'The ventilation is from ward to ward, and any effluvia passes, intensifying, from patient to patient.'

"This is a state of things which is most discreditable, if not disgraceful, to any great city, and the position was that the Government of Bengal had a very great surplus of about 59 lakhs of rupees, and that it was intended to carry out these works out of that surplus and out of Provincial revenue. Unfortunately, as appears from the resolution, it was necessary to keep this surplus for the famine, and it appears from the Budget figures that the whole of this surplus is likely to be dissipated in the famine. It also appears that, instead of our having any hope that out of the revenue of Bengal in the next few years there will be a chance of accomplishing this work, the revenues have been very much cut down, owing to the revision of the quinquennial contract, and, so far as I can gather, it will not be possible to carry out this work out of these revenues. It appears that the estimated balance for the provincial revenue in the next year is only 10 lakhs of rupees, that is 10 lakhs below the ordinary minimum. Therefore, as far as I can see, we can have little hope of this highly discreditable state of things being remedied, unless there is some special provision made for it. I therefore appeal to the honourable financial Member to make some exceptional provision as soon as he has money to do it, as soon as it is possible. There is no doubt that it is an absolute necessity; there is no doubt that the state of things is disgraceful; there is no doubt that it has been too long delayed, and one must remember that man does not live by railways alone. A hospital in a city of this kind suited to modern requirements is an absolute necessity.

"I do not propose to go into the question of the quinquennial revision. It has been very fully dealt with by the Honourable Mr. Sayani, and I agree with a great deal of what he has said. I will only say that the position is that certain assignments are made to the Provincial Governments, and they are revised at the end of every five years. It has been pointed out by Sir David Barbour that this is not favourable to good administration nor to the improvement of the province, that it is very desirable to have it put upon some better basis; but he also says it is very difficult to do so at the present time, and that there are very great difficulties in the way of doing so. I hope something of the kind will be done.

"I do not propose to go further into the question of what can be done with regard to the quinquennial revision of Provincial Governments. There are many Members here who are far more qualified to speak with regard to that, and, besides, the Lieutenant Governor of Bengal himself is here, and I would not presume to offer any opinion on the subject, except that I may say, on the authority of Sir David Barbour, that the present position is very unsatisfactory.

"I have frequently had occasion to call attention to the Home charges. I am relieved from doing so on this occasion, because the whole matter has at length been publicly investigated. The case for India is being laid before the public, and, though it was usual for the authorities at home to burke the

whole

whole of the representations that were made, now that the matter is being publicly thrashed out and the verdict of the public can be taken upon it, it will be very much more difficult for them to justify a large number of the charges with which we are at present saddled. I hope therefore, although it will take some time, that we may in the end obtain some substantial relief.

"I was very glad to hear the testimony the honourable Babu Joy Gobind Law bore to the appreciation of the people of this country to the efforts that have been made by the Government to cope with the famine. It was very gratifying to hear from him that the efforts that are being made, and the way in which the officers who manage these things give their time and their labour ungrudgingly, and the liberality of the Government in providing the necessary funds, was acknowledged. In the case of a famine of this magnitude, it is entirely hopeless to expect that there would not be a great amount of suffering and a considerable amount of loss of life. We know from the habits of the people that many of them will not go to the relief-works until they are too starved to benefit by them, and it always must be so. There are no doubt people here, as there are people at home, who will from an idea of respectability allow themselves to starve into such a state that nothing can be done for them, before they will come forward and ask for relief. The efforts of the Government have been supplemented by the splendid donations which have been made by England and the Colonies which are now over a crore of rupees, and, although, no doubt, we could do with more money, this will be a very substantial amount in order to mitigate the indirect results of famine, and set up a large number of persons who are left without resources although their lives may be preserved.

"I do not think I can usefully go into any criticism of the figures of this Budget. It is, as I say, a Budget in which everything is kept at a stand-still. The estimates of expenses for famine and of loss of revenue are conjectural, and all that we have to do is to hope for the best and do the best we can in the meantime: and wait until the storm is over."

The Honourable *Rai Bahadur P. Ananda Charlu* said:—"It must have cost the honourable Finance Minister many a pang to be driven to declare that the year now budgetted for works out a deficit of Rx. 1,986,900, that the ensuing year will work out a larger deficit of Rx. 2,464,000, and that, as an effort to make two ends meet, a loan of no less than four crores must be raised. A gloomier picture it is next to impossible to present. None but men with a heart of flint will nevertheless refuse to him the deepest sympathy in his present sore trial. Few capable of reflection will hold him responsible for the deplorable condition of things we have to face, and may yet have to face, from time to time. One cannot hide from oneself that he has had to take up the financial portfolio with a pre-ordained load and scale of expenditure to which the country had been committed by adventures and policies, the reverse of sagacious—adventures and policies indulged in without an eye to the future, or with exaggerated notions of the country's capabilities. As I said last year, 'within these ten years the forward policy alone has cost us, apart from the wars themselves, an aggregate sum of nearly 70 crores, and has added to our permanent expenditure no less a sum than six crores per annum; and as for the Home charges, they have mounted up to over 25 crores of rupees.'

"Our present Chancellor of the Exchequer had not, further, the terrible lessons of the last great famine, except as matters of cold history and record; for he had not personally to witness or confront the harrowing scenes of its frightful havoc. Judging of it from an unexciting long-arm-chair—I saw one in his room of business—he could not realise the horrors of a wide-spread famine, except by a powerful effort of a vivid imagination. I suppose financiers, like other men, are averse to fall into a train of painful reflections, for the human mind has a tendency instinctively to shun such. As a necessary result, the measure which had been taken, shortly after the last famine, against the recurrence of such a terrible disaster, must have come down to him shorn of all its well-meant but inconvenient promises, pledges, and obligations; for, with all deference to the high authority against me on the point, I cannot help reiterating that a Famine Insurance Fund had been once created by Lord Lytton's Government, no matter what Sir John Strachey's antecedent words of doubtful import may have been —words which should be taken to have been set aside, if the final utterances of the head of the Government are to count for anything. Let me quote his Lordship's words once more:—

"'The sole justification for the increased taxation, which has just been imposed upon the people of India for the purpose of insuring this empire against the worst calamities of future famine, so far as an insurance can now be practically provided, is the pledge we have given that a sum not less than a million and a-half sterling, which exceeds the amount of the additional contributions obtained from the people for this purpose, shall be annually applied to it. We have explained to the people of this country that additional revenue by the new taxes is required, not for the luxuries, but for the necessities of the State; not for general purposes, but for the construction of a particular class of public works; and we have pledged ourselves not to spend one rupee of the special resources thus created upon works of a different character, while we exercise the most strict economy in all other branches of our expenditure, so that no greater burdens shall be thrown on the country than are absolutely required by the necessity of the case.'

"I venture to maintain that, even without such an explicit statement, the same result followed. When a particular tax was declared and labelled to be for the saving of lives and for no other object, and the tax was actually levied in pursuance of such declaration, the sums so collected, without more, became *ipso facto* the Fund which was meant. I may say that the Fund created itself. Lord Lytton, as I had more than once to point out, went much further. In the noblest of words, he cautioned succeeding Governments against temptations to divert the funds consecrated to the saving of lives. Those words cannot be repeated too often:—

"'The current claims upon the activities and resources of the Government of India are so numerous, so pressing, so important, official forces and imperial funds so necessarily limited, that, when once the daily, hourly strain of a great famine has been removed from a wearied administration and impoverished treasury, its fearful warnings are soon forgotten; its disquieting ghosts are quickly exorcised by the conventional declaration of some unexceptionable principle; its bitter memories decently interred beneath the dull *hic jacet* of a Blue Book; and there, for all practical purposes, is an end of the matter.'

"But, as fates would have it, he himself was the first to run counter to his own warning. In the very teeth of his own solemn, thrilling words of admonition, he was the first to set the example of diverting the Famine Insurance provision towards carrying on an ill-starred and ill-omened war which was the forerunner of others, and which, as it were, became the nucleus of ever-growing expenditure of colossal proportions, leaving less and less for the internal development of the country or the betterment of the condition of the mass of the people. One unfortunate result of this growing military spirit has been the complete reversal of land-settlement policy.

"The one consideration that was uppermost in the mind, even from the days of the Court of Directors, was the prosperity of the raiyat population, so that the taxes levied may, in the Government's own words, leave a margin with a view to meeting any increase in the cost of agriculture and of providing for a rise in the standard of living.

"The new policy of recent years is to give prominence to 'the difficulty of finding other sources of revenue, having regard to the change that had come over the financial position.'

"One bitter fruit of this change of policy is already this, that many millions of people have not been able to lay by a competence to enable them to withstand the failure of rains in one single year.

"The first step is always the perilous step in deviating from the straight path; and what has happened in this country is no exception to that rule. The provision against Famine came therefore to be swallowed up by wars, and appropriated to the maintenance of armaments and frontier defences, calling for outlays out of all proportion to what is left for promoting internal well-being. These brought in their wake too much financial centralisation in the Imperial Government and too much autocracy in higher quarters. These have been the root of the financial collapse of India, and there is no hope of redemption from a chronic state of bankruptcy and of progress in the contented happiness of the people, till the present order giveth way for a fresh and better one, conceived in a humane and equitable spirit and sternly carried out in the financial interests of this country. The sincerest Viceroys and the cleverest financiers would, in the face of this stupendous stumbling-block in their way, be helpless. In these circumstances all that one could do is to use the language of entreaty, after calling

calling attention to certain matters that have a bearing on the internal development of the country. Irrigation works claim the foremost attention in this respect, and the report of the last Famine Commission, now a quarter of a century old, contained certain suggestions on this point; and various blocks have been indicated in it, out of something over 137 thousand square miles of admittedly culturable land in the country, as capable of being turned into sources of plenty. In the tremendous strain on the time and energies of almost every officer of the Government at the present trying moment, I considered it cruel to apply for information as to how many of these irrigation works have been carried out and how much of this vast area had been brought under the plough, nor could I detect it in the sea of figures and tables, embodied in the Yellow Book which the Honourable Finance Member was kind enough to give me. I have not had the maps that would help me. But in one sense the information will have proved serviceable. Whether on the hypothesis that much has already been done in these directions or on the hypothesis that nearly the whole or a good part of it still remains to be taken in hand, the present famine shows that a vast deal more must be done.

"A distinct promise to revise the situation was held out by Sir John Strachey himself; for he said:—

"'Unless, then, it would be proved hereafter by experience that the annual appropriation of a smaller sum from our revenues will give to the country the protection which it requires, we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned to this sole purpose; and I hope that no desire to carry out any administrative improvement, however urgent, or any fiscal reform, however wise, will tempt the Government to neglect this sacred trust.'

"Experience of the present has proved the very contrary.

"It is therefore perfectly obvious and imperative that a fund, such as was created by Lord Lytton's Government, must be re-established as soon as possible and rigidly and scrupulously repeated every year—not to be put into a box and rust there as no one suggested, but ridiculed as if some imaginary person said it, but to remain and accumulate quite apart from the general revenues, and only liable to be borrowed from for investment in reproductive works having a direct effect in minimising famines, and entitled to have credited to it all the income accruing from such investment. It is useless in this connection to point out, as I once did, that, if all that was suggested at the time had been done since the last great famine, there ought to have been seven crores, either in the shape of paying and fertilising irrigation works or as a credit to the fund, entitled to be now called out, over and above what has been spent under that head. To this fund I attach the supremest importance, as *that* is evidently the only allotment which the people may call their own or may regard as tangibly conducing to their real and unequivocal welfare.

"The next thing I have to do is to entreat the Finance Minister to commemorate his tenure of office and earn the lasting gratitude of the millions of this country, by laying the foundation of Provincial developments and prosperity, by broad lines for decentralization, demarcating definitely between Provincial and Imperial, and by insisting on the British Government making to the Indian Exchequer a substantial contribution year after year towards the cost of safeguarding purely Imperial interests—a cost which now weighs as a millstone round the neck of India. Lord Welby's Commission, now sitting, may do something, but not much; for it has been ruled that questions of policy are out of its scope. But the Government of India may properly raise those questions and bring them within the domain of practical politics.

"The Honourable Finance Member could in this way beard the lion, if he only would. Let me remind him that it ought to wound the just pride and true sense of dignity of any Government that its subjects should so far lose their self-respect and self-dependence as to go abroad from time to time with hat in hand for eleemosynary help to clothe their bodies, and to render relishable the subsistence ration which is the utmost left to them or made available to them from their own country's resources.

"If Your Excellency will only lend your powerful support to the efforts of your Honourable Colleague in charge of the Finance in the merciful work which I have ventured to touch upon, and if your Government will also inaugurate a system of administration, much cheaper than the present, by utilising considerably more of the local talent, and thus carry out a stern policy

of retrenchment all round, your Excellency and your Excellency's advisers will leave behind you an imperishable name for justice and benevolence.

"This is all that I meant to say as I came into the Council. But after I came there have been some speeches of which I took notes—those of Sir James to-day, preliminary to the discussion, of Mr. James, which I must characterise as original, of Mr. Rees, and of Sir Griffith Evans. In my own interest, as I should have time for my own Bill—I will postpone the remarks thereon except to say just a few words on one point. It is in respect of the inquiry, 'Where is the history which records the India of gold?' No such written history exists; but there are facts which prove it. If great parts of the country were jungle, the rest of the country was, I suppose, peopled, and these, not fenced round by artificial limitations, must have lived in an undoubted plenty. Next, there is the phrase—'the Indian pagoda tree,' which was invented and put in circulation by Englishmen themselves. Was that a baseless invention? Again, my Lord, there is the name—'The Indian Nabob," invariably applied to the retired civilian of former days—a name given to him not so much for his airs of Bahadurism as for the great wealth he carried with him from India. Did he gather that wealth in the jungles and from famished inhabitants of deserts? Then again, did the English and other European nations vie with one another and struggle with one another to acquire possession of a country barren of all money and wealth? An inference seriously drawn from these and other data cannot be summarily dismissed, as has been attempted."

The *Honourable Mr. Trevor* said:—"My Lord, I was not a Member of this Council when the last Financial Statement was discussed. But from the reports of the discussion I gather that the Government of India was then more or less on its defence against an assumption that too little was being done for the development of the material resources of the country, more especially in the matter of railway construction.

"My honourable friend Mr. Cadell, who was then in charge of the Public Works Department, referred to the fact that, in the first complete year of your Lordship's administration, 360 miles of completed railway had been added to the 18,500 odd miles previously existing, and that, if it were possible to carry out the programme that had been drawn up, some 4,000 miles more would have been completed by the close of your Lordship's term of office, though even this would leave untouched many lines that had already been considered and recognised as necessary or important.

"Your Lordship also was at some pains to explain that Government were fully alive to the benefits, direct and indirect, to be derived from the expansion of railway communication, that many important lines in which almost every province of India had a share had already been undertaken, and that these alone would cost some 35 crores to complete, of which nearly a third had been provided in the budget then under discussion. But, and this is important, your Lordship was also careful to dwell emphatically on another aspect of the question, and to point out that the one duty above others, laid upon Government by the circumstances, was to resist temptation, to push forward at a favourable time, but to do so at a rate which was not excessive, but could be steadily maintained, to be bold indeed, but not to be rash. Your Lordship insisted on the necessity with this object of keeping the initiative in regard to all the large schemes in the hands of Government, it being only by so doing that a programme can be framed, adhered to, and carried out with regularity and efficiency.

"Finally your Lordship drew attention to the wide and important field still open to private enterprise and to the administrations of parent lines in regard to the construction of branches and feeders.

"My Lord, I recall this passage from ancient history for two reasons.

"In the first place, as my honourable friend opposite has remarked, a change has come over the spirit of our dream. Our critics in the public press now hint, more in sorrow it is true than in anger, that we are going too fast rather than too slow, and ask us to consider whether it would not be wise to abandon, or at least suspend, our extension programme till times are better, and, while I acknowledge with gratitude the support which my honourable friends Mr. Rees and Sir G. Evans have given us, I observe that there has been some expression within this Chamber of a similar view. It seems to me that the remarks to which I have ventured to invite attention are as suggestive in their bearing on the question whether we are not doing too much, as they were on the question whether we were doing enough.

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"In the next place, it may, I think, be convenient that I should take this opportunity of stating, as briefly as possible, what has been and is being done in pursuance of the policy foreshadowed in your Lordship's remarks (which I may describe as the policy of *systematising* the consideration of railway projects so as to ensure the application of the money credit and agency at our command to the best advantage), and how the field for private enterprise and the position of private promoters are affected by that policy.

"With regard to the first of these matters, I may perhaps be permitted to expand a little what your Lordship said last year.

"It is no doubt very discouraging that the first year of renewed activity in regard to railway development should have coincided with a year of plague, pestilence, and famine, and that we should have no better result to show than that the net loss on the Railway Revenue Account should have increased this year to a total of some $2\frac{3}{4}$ crores, with a prospect of a similar loss next year, and of an extremely tight money market to work on.

"But it is important to remember that, except in so far as the debit side of the account has been swelled by the interest charges on a larger amount than usual of capital, which, though expended, has not yet begun to earn a return (and this is a condition of things inseparable from the commencement of a period of progress, and an argument for pushing works in progress on to completion rather than for staying our hand), the loss we have unfortunately to show on the Railway Account would have been certainly no less, probably rather more, if not a single mile of new railway had been laid. On the other hand, much of the work done, notably on the Saugor-Katni and Ganges-Gogra Doab lines, has furnished employment for persons for whom it would otherwise have been necessary to provide famine relief at considerable cost to the State outside the Railway Account, and with a less assured prospect of an ultimate return.

"Then, again, it must be borne in mind that the loss shown on the direct account includes not only interest at the full all-round rate, on the whole of the Government capital expended on famine protective and strategic lines, which are not, and never were expected to be, remunerative, and the heavy sterling interest on the capital of the three remaining guaranteed companies, but also another very serious burden, arising from the clause in the contracts with the three companies in question, which provides that in the adjustment of accounts one rupee of net earnings is to be taken as the equivalent of 1*s.* 10*d.* The result of that provision is that we not only have to incur what I may call the normal loss by exchange in remitting the guaranteed interest at the current rate, a process which during the year now closing will, it is estimated, swallow up the whole of the net traffic receipts of the lines in question, and nearly a crore and a half besides, but also to assume that it was remitted at one and tenpence, and to hand over to the lucky shareholders half of the purely fictitious surplus arrived at by the method of calculation imposed on us. The revised estimate of the amount to be paid on this account for the current year is about $44\frac{3}{4}$ lakhs.

"This loss, as well as that arising from the high rates of interest, compared with those at which money can now be raised, which we have to pay to some of the older companies, is a burden on the railway account with which we have to reckon, and which, though it may be obliterated by going on, cannot be reduced by standing still.

"Your Lordship last year expressed the belief that, if the lines made for famine protective and military purposes were kept separate, to which I would add, if allowance were made for such burdens as those to which I have just referred, it would be found that a very sufficient return was realised on the capital we have expended on railways. The return fluctuates enormously from year to year, the net loss shown on the Revenue Account having ranged during the 20 years now ending from as low as about 15 lakhs in 1877–78 to as high as about 2 crores 80 lakhs in 1896–97; and it has been affected by so many varying circumstances and conditions that it is difficult to draw any definite conclusion as to this. But this much may be said, that, whereas the loss for the five years ending 1876–77 averaged something short of $1\frac{3}{4}$ crores annually, during the five years now ending, and including the present very unfavourable season, it has averaged a little over 2 crores, or only about $3\frac{1}{2}$ lakhs more.

"Considering that we now have 20,420 open miles of railway against 6,862 in the earlier period, and that we have in the later period had to reckon with a rate of exchange of from 15 to 13 pence to the rupee, as against a rate of from 22 to 20 pence before 1876–77, I do not think we can be said to have done badly on the whole. We can, at any rate, claim that the growth of railway traffic earnings has more than kept pace with the growth of railway mileage, and that the net earnings have borne a steadily increasing ratio to the gross earnings.

"While I am not prepared to assert that we can as yet point to a clear and indisputable return on our capital as shown by the Railway Revenue Account, I should like to insist on this, that the Railway Revenue Account shows every rupee by which the direct receipts from railway traffic fall short of the burden which our railway proprietorship and responsibilities impose on the Indian Exchequer, whether in the shape of interest on capital raised either in England or in India, loss by exchange, or in any other way.

"What it does not show is the share contributed by the expansion of railway communication to the general stability of our financial position.

"It is impossible to estimate the value of that share in figures. But apart from the benefit to the administration and the promotion (to quote once more your Lordship's words) of the material and social advancement and political tranquillity of the people, apart from the expansion of trade, and its effect in counteracting the burdens imposed on us by the fall in exchange, I think I may assert, without fear of contradiction, that there is hardly an important item of growing revenue which would have expanded as it has expanded if our railway construction had stood still.

"I shall, I hope, command the assent of my hearers when I say that even 2¾ crores is a small price to pay for all the advantages obtained (my honourable colleague said last year that they would be cheap at 10 crores), and that it would be short-sighted and unwise for the Government of India to allow themselves to be deterred by temporary difficulties from prosecuting their policy of steady and well-considered progress, so long as those difficulties can be overcome, and so long as the funds required can be raised on reasonable terms and without resort to additional taxation. I agree on this point to a great extent with my honourable friend, Mr. Sayani. So long as these conditions I have stated are observed, I have myself some difficulty in understanding what important immediate relief would be obtained by a suspension of the programme. The amount borrowed for public works does not immediately affect the resources available for ordinary administrative purposes, and the grants from revenue or from balances are limited to what can be spared under the circumstances of the year. On the other hand, the loss, both direct and indirect, inseparable from a suspension of arrangements already made, and of half-finished lines, needs, as my honourable friend Sir G. Evans has pointed out, no demonstration. In times of financial pressure the question of ways and means is of course always a difficulty. If any reduction is found to be indispensable, which, however, I do not anticipate, it will, of course, commence, as my honourable friend has suggested, with works which we have not yet begun. But, if that difficulty can be got over, I think it will be acknowledged that the existence of famine and distress is a reason for expanding rather than contracting expenditure which does not come out of the pockets of the sufferers, nor add appreciably, it may be hoped, to their future burdens, while much of it goes directly into their pockets in the shape of wages of labour. As a matter of fact, we have been obliged to allow earthwork on several lines, both in and outside our programme, to be commenced in anticipation of our original intention, as a question of famine relief.

"I may add that it is one thing to lay down a programme, and another thing altogether to work up to it, and that, whereas the programme and the Budget contemplated an expenditure of some 10·17 crores, we have, with the best will in the world, been unable to spend more than 8·76 crores, and, as the difference is not to be carried forward for expenditure this year, though I hope my honourable colleague in the Finance Department may see his way to restoring it hereafter when times are better, the financial tension has to that extent been actually and presently relieved.

"Coming now to the second of the two matters to which I referred at the beginning of my remarks, that is, to the steps which are being taken in the direction of systematizing expenditure, and making the most both of our credit and

and of the funds and agencies at our disposal for the extension and development of our railway systems, and to the effect of those steps upon the field for private enterprise and the position of promoters, I may begin by explaining that the point which we had most especially under our consideration in the correspondence with the Secretary of State to which my honourable colleague Sir James Westland refers in paragraphs 74 and 75 of his Statement, and of which the 28-crore programme was the outcome, was whether companies coming under my honourable colleague's first and second categories might not with advantage be allowed to raise rupee loans for themselves to meet their rupee expenditure, the idea being that we should thereby reduce either the amount of our own direct borrowings or the growth of our sterling liabilities, as the case might be.

"The general conclusion at which we arrived on that point was that, so far as the money was to be raised practically on our own direct or indirect guarantee, we should gain little relief to our own borrowings, as depending on the capacity of the Indian money market to absorb rupee loans, by borrowing through companies instead of direct, while, as we can borrow direct on better terms and at less cost and risk of inconvenience, it is better to do so and to lend the money to the companies than, practically, to allow them to compete with us in the same market.

"The Secretary of State's acceptance of this conclusion was the first step, and led to the preparation of a programme on the principle that all contemplated capital expenditure for which we have to accept financial responsibility, excepting only capital raised on Branch Line terms, should be dealt with as one whole, and that of the total amount to be spent in each year as much as possible should be provided in India, either from Famine Fund or ordinary Revenue, or by direct borrowing, so as to avoid unnecessary additions to our sterling liabilities, and at the same time to ensure that the additions to our rupee liabilities shall be as little onerous as possible.

"Another point which we had to consider at the same time with the question of the provision of funds for companies, was the question of Branch Line terms. It was found that those offered in our earlier resolutions were not readily understood and were sometimes misapplied, and it was also a question whether branch line companies were in all cases the best or the most economical agency to employ for the purposes in view.

"The conclusions at which we arrived were, shortly, that Branch Line terms should be confined to short extensions and feeders, the terms on which long or important lines should be made being a matter for separate consideration and negotiation in each case; and that it is, as a rule, better and more economical to allow parent lines to finance, and make, as well as work, branches and feeders required for the development of their own systems, so far at least as it may be possible to arrange for funds without exceeding the limits set from time to time on our programme of expenditure as prepared on the principle I have just described.

"While, however, for reasons suggested by these considerations, we proposed to keep in our own hands the initiative in regard to branches and feeders as well as to important lines, we fully recognised that there would still remain many cases in which, to secure early execution of a project, or to admit of the employment of local capital in furtherance of local interests and wishes, or for other reasons, it might be advantageous to encourage offers on Branch Line terms; also that a moderate firm guarantee might in some cases be more economical, better suited to the circumstances, and more attractive to promoters, than the rebate arrangement held out in our early resolutions on the subject. These conclusions have also been accepted by the Secretary of State and embodied in a revised Branch Line Terms Resolution, No. 514, of the 17th April 1896. The contents of that resolution are doubtless well known to those who are interested in the subject, and I need not for present purposes say more than that it constituted another step in the same direction as the decision come to in regard to the provision of funds for companies, and will, I hope, tend to ensure that in the case of branches and feeders as well as of large railways development shall proceed on lines which will not increase our financial responsibilities more than is really necessary and advantageous.

"The third and perhaps most important step is the institution of an Annual Conference for the consideration of railway schemes, at which the principal departments of the Government of India will be represented, and to which it has

been decided, with the approval of the Secretary of State, that all suggestions and projects for railways should be referred before any action on the part of Government is decided on. Honourable Members will find on the table copies of a memorandum and accompaniments which may serve to give some idea of the nature of the work done by the last conference. The bearing of that work on the preparation of the programme and the manner in which it is proposed to carry on the work of one conference so far as it refers to schemes held over to the next, I will not take up time by recapitulating or trying to summarize the contents of these papers. But the information they supply will, I hope, be found to cover the ground of my honourable friend Mr. Playfair's enquiries, and will, I hope, with what I have already said, be enough to show that, even if we are still regarded as overbold, we, at any rate, ought not to be accused of being rash; and that all possible precautions are being taken to secure continuity in such progress as financial considerations may admit of, and to ensure that it shall not be unduly onerous to the taxpayer, or carried out haphazard, or distributed without due regard to the requirements of all parts of India, and the means of carrying it on efficiently and steadily.

"I may add that no projects are entered in the programme unless the traffic estimates show a reasonable prospect of a return, and that even after a project has been entered in the programme my honourable colleague in the Finance Department is still most strict in demanding to be satisfied, before it goes to the Secretary of State for sanction, that the traffic estimates have been carefully prepared and properly scrutinised, and that the prospect of a return is not illusory.

"Before I leave this subject, there are two points in connection with the papers which have been tabled to which I wish to draw attention.

"The first is that the programme which they embody, and which looms so large this year in my honourable colleague's statement, includes, as he has pointed out, under the arrangements which I have described as the first step towards the systematising of progress, anticipated expenditure by certain Companies falling within his second category (the Bengal-Nagpur, Indian Midland, and others,) which are allowed to borrow on their own account for duly authorised objects, and whose borrowings have hitherto been treated as a matter outside the scope of the Financial Statement.

"The other is that, when the matter came to be considered in conference, it was found that we had already in hand or under negotiation as many branch lines as we could well manage for some time to come, in addition to all that was included in the programme, and to the lines in contemplation by Native States, and assisted Companies demanding no financial assistance. The publication of the contemplated list of branch lines had therefore to be deferred.

"And this brings me to the last matter I propose to notice. What field is left, it may be asked, among all these precautions, for private enterprise, and what remedy do they provide for the complaint so constantly made by applicants for concession that there is no getting a reply out of Government?

"Well, my Lord, I think I may say that the form of private enterprise which is content to take the risk for the chance of profit, and to make lines without financial assistance, beyond, say, the provision of land and certain facilities of working, will always find us ready to listen. But even in that case it is necessary to be sure that the proposal to which we are asked to assent will not seriously injure existing interests, or stand in the way of other projects of more importance or better calculated to serve the country, that we are in a position to see that they are properly carried out, and that they are fairly sound in themselves. For it generally happens that, when private enterprise gets into a hole in this country, Government is called upon to help it out. And therefore it will be necessary that all such proposals should be submitted to the Annual Conference, and their conclusions considered before a concession is given.

"To promoters who want Branch Line terms I am afraid I can only reply that at present our hands are full. At the same time we shall be glad to receive suggestions up to the 15th May each year for lines which are considered suitable. These will be inquired into and submitted to the Conference. When we see our way to proceeding with any of them, a list of such as are approved will be published, and thereafter specific proposals for any line included in the list will be received and dealt with, promptly I trust, as they come in. The result, I hope, will be that we shall be able to dispose definitely by

by the end of the year of all suggestions and proposals which reach us up to the middle of May, and that, if my hope is realized, will, I think, be a considerable improvement on the existing state of affairs.

"My honourable friend Mr. Playfair will, I hope, forgive me if I suggest that, in his remarks on the tribute paid by Bengal in the shape of railway revenue, as compared with the drain arising from the Bombay railways, he has, I think, omitted to notice that the Bengal and Nagpur line does not pay, and that all the profits of the East Indian Railway do not come from the people of Bengal. On the other hand, if the Rajputana Railway line be included, the loss on the Bombay Railway disappears.

"In reply to his inquiry about the deferred telegrams, I understand that a Notification on the subject will appear in the next 'Gazette.'

"I hope my honourable friend Mr. Sayani will not see the length at which I have dwelt on the railway question in confirmation of his view that irrigation does not receive sufficient attention. I may assure him and my honourable friend Mr. Ananda Charlu that as a matter of fact the expenditure on irrigation has already been systematised. We are steadily spending on it about 75 lakhs a year, which is a rate sufficient to complete all the large works in contemplation within a reasonable time. The field for such works is not, as my honourable friend Mr. Sayani seemed to assume, unlimited. Such field as these is already mostly occupied, to the great advantage of the revenue and of the people, and the works already completed have done us, as the Financial Statement shows, yeoman's service in this year of distress. But we have learned by experience that large expenditure on irrigation works in those parts of the country when the rainfall is sufficient is often money thrown away. The people will not take the water. And where the rainfall is deficient the large perennial streams, the presence of which are essential to the construction of irrigation works, are too often wanting. I may add for the satisfaction of my friend Mr. Bhuskute that, in spite of establishment charges, irrigation works, as a whole, are now paying more than 5 per cent. clear."

The honourable General Sir *Edwin Collen* said: "My Lord,—This day last year my predecessor, Sir Henry Brackenbury, explained with the ability and clearness for which he was so distinguished, the estimates for the year 1896-97. He dealt in some detail with these estimates which had been prepared under his direction. He also was able to announce the grant of the sum of 49½ lakhs of rupees, or nearly Rx. 500,000, for the completion of the preparations for mobilisation, and he gave the Council a most valuable historical retrospect of his administration.

"I fear that the statement which I shall have to lay before this Council will be far less interesting, and for the simple reason that the financial year just closing has been chiefly marked in the Military Department by efforts to postpone or retrench expenditure, and that not very long after I assumed office we found that it was necessary to do everything in our power to restrict expenditure owing to impending scarcity, which has since deepened into severe famine in certain parts of the country. My Lord, I listened with great interest and attention to the observations which have been made by various honourable Members on the subject of military expenditure. I think I may venture to say that these criticisms were characterised by a somewhat mild flavour, with one exception. That exception was the honourable Mr. Ananda Charlu, who denounced in strong terms the forward policy and our vast military expenditure. In the course of the statements which I shall have to lay before the Council, I shall endeavour to reply to such criticisms as have been passed, and I hope even to convince my honourable friend Mr. Ananda Charlu that what he characterises as the ever-growing military expenditure to colossal proportions, has not increased in such a high ratio as he imagines it has done. I propose to take the estimates in the following order:—

"India Military Estimates.
"Home Estimates.
"Military Works Estimates.
"Marine Estimates.

"Before dealing with the figures of these estimates, I should like to say a few words as to the mode in which they are prepared. As the Council are

aware, the army is now divided into four great commands—Punjab, Bengal, Madras, and Bombay. In each of these commands there is a Controller of Military Accounts, who is at the head of the financial system of the command and is the financial adviser of the Lieutenant-General commanding the forces, although he is directly under the Government of India. It is on the Controller that the responsibility of preparing the estimates rests in the first place. He has to construct these estimates in communication with the authorities and departments concerned. He has to pass these in review and to apply every possible test for determining whether the estimates are drawn up in accordance with the rules. The estimates of the great supply departments are forwarded by the Controllers to the heads of those departments with the Government of India, and after scrutiny by those officers the estimates are passed to the Accountant General, who incorporates the whole of the estimates thus received, and those he receives from the Controllers, into one general estimate. Nothing can be entered in the estimates which has not received the sanction of the Government of India. The estimates pass under the rigid scrutiny of the Accountant General, and they are further subjected to an examination by the Comptroller General of India, and are finally considered by the Military and Finance Departments.

"It will be understood that during the year a large number of proposals involving expenditure are received in the Military Department; a considerable number of these are, after every consideration has been given to them, rejected altogether; others, after being accepted on their merits, are held over till the time when the estimates, prepared as I have described them, are being finally considered in order to see if money is available for measures which are recognised as proper in themselves.

"The Home estimates are prepared under the orders of the Secretary of State for India, a great deal of the information being received from India and from the War Office with respect to their charges. The Military Works estimates are prepared by the Director General of Military Works and Examiner of Military Works Accounts, and, after scrutiny in the Military Department, are finally passed by the Finance Department. I may mention that, with regard to new works, a list is drawn up, often numbering many hundreds of items, in order of urgency, in communication with the Commander-in-Chief, and we have to select those works which are the most urgent for entry in the estimates after we have provided for all obligatory services.

"The Marine Estimates are prepared by the Director of the Marine, and the Examiner of Marine Accounts, who in this case stands in the place of a Controller. The estimates then undergo a process similar to that which I have described in the case of the Army Estimates.

"I will first deal with the revised India Military Estimates of 1896-97 as compared with the Budget Estimates for 1896-97. The net expenditure in the Budget Estimate of 1896-97 was estimated at Rx. 16,676,500. The revised estimate is Rx. 16,369,400; so that it is Rx. 307,100 less than the Budget Estimate.

"Now, with reference to these estimates, it will at once be asked, how is it that, notwithstanding the increased prices, owing to scarcity, for food supplies for men and animals, there is such a large saving in the revised estimate over the Budget Estimate? In the first place there have been smaller payments of exchange compensation allowance owing to the average market rate of exchange adopted in the Budget, viz., 1*s.* 1$\frac{3}{4}$*d.*, having been altered. This at once gives a saving of about Rx. 81,000. Then there is a large saving of Rx. 120,000 owing to smaller charges on account of mobilisation arrangements. No one would have been more glad than I should have been, if we could possibly have completed the purchase of the whole of the transport, equipments, and stores required for the equipment of the additional troops, in the current year; but that was not possible. It will be readily understood that the purchase of large quantities of transport and equipments cannot be effected at once. Those purchases have to be spread over the whole year, and it was intended that the largest portion of them should be made during the cold weather; but, before the whole of the purchases could be made, famine was upon us, and taking one item, for example, fodder reserves, which was to have cost about Rx. 37,700, we felt that we must postpone the purchase of these reserves at a time when every scrap of fodder was needed for the cattle of the people.

"The

"The honourable Pundit Bishambar made some remarks with regard to the advisability of not replenishing military stores when famine was staring us in the face. I venture to hope that the explanation I have given will convince the honourable Pundit that the Military Department have given every consideration to the necessity for holding their hands in the matter of purchases of supplies when it was evident that famine was impending.

"Again, take such an item as camel saddles and gear, for which Rx. 28,800 was provided. Here it was proposed to adopt an improved pattern, and it was felt that it would be imprudent to purchase a large number of saddles when there was every reason to think we should get a better equipment in a short time. This causes a saving of about Rx. 18,000. We have not been able to get the whole of the 3,250 camels which were sanctioned. A higher price than was estimated for had to be paid, and we decided that no more than the number that could be bought for the sum allotted should be purchased this year, the balance, 650, being made good next year. Out of the 1,750 mules to be obtained, we have 282 mules still remaining to be purchased.

"In the Medical Department all the requirements have been supplied, with some small exceptions. In the Ordnance Department all requirements will be supplied during the current financial year. In the Veterinary Department the same remark is applicable; and under the head Remount Department we shall have purchased the number of horses for the reserve which was provided for in the estimate for 1896–97, so that there will be no deficiencies in that department. Altogether there is a smaller charge for mobilisation arrangements amounting to Rx. 120,000. If there had been no scarcity and our financial condition had remained as it was, we should, with the exception of the camel saddles, have been able to complete the whole of the requirements as estimated for.

"The next important item of diminished expenditure was the less charge under Army and Garrison Staff, Rx. 20,000.

"Then a sum amounting to nearly Rx. 10,000 was saved owing to the cost of the 24th Bombay Infantry while on service at Mombassa having been debited to the Imperial Government. Under Commissariat there were various measures of economy which resulted in a saving of about Rx. 10,000. There was also a saving in the hire of transport, apart from mobilisation requirements, railway charges, &c., which amounted to close upon Rx. 30,000; while other economies in Commissariat charges amounted to a considerable sum. In the ordinary establishment fewer transport animals were bought than estimated for, which gave a saving of Rx. 15,000. The more favourable rate of exchange prevailing saved Rx. 24,000 in the purchase of Australian remounts; while in the Clothing Department there were smaller demands, and issues were made to Bengal from surplus clothing stored in Madras. In the Ordnance grant there was a considerable saving in Ordnance establishments, and in the smaller purchases of stores due to less out-turn. This saving amounted to Rx. 75,000. There are also a large number of items with which I need not trouble the Council. I have only mentioned a few of the important items which make up a decrease, taking only the principal items, in the revised estimate of 1896–97, of Rx. 506,500.

"Now we come to the more important increases. These are under Grant 4—Commissariat—Rx. 180,000, under Grant 5—Remounts—Rx. 16,000. This rise in expenditure is entirely due to the rise in prices for food-supplies for men and animals owing to the famine. The excess over the established strength of British troops caused increased charges for pay, for which Budget provision did not exist, and there was an excess deduction made in the Budget for the short strength of the Native army. These two items account for an increase of Rx. 24,000. As regards the British army, I might perhaps explain that in past years the drafts were calculated so as to bring the establishment up to strength on the 1st April. But in 1895 a change was introduced by the War Office without reference to India, and the numbers sent out provided for all casualties up to the beginning of the following trooping season. The War Office have, however, agreed to revert to the previous system. Other items of increase make up a total of Rx. 245,400. But the net result is that the revised estimate is Rx. 307,100 below the Budget Estimate for 1896–97, taking the net expenditure.

"Turning now to the Budget Estimate for 1897–98, it compares with that for 1896-97 as follows: The Budget Estimate for 1896–97 was, as I have said, Rx. 16,676,500; the Budget Estimate for 1897–98 is Rx. 16,154,300 for an establishment provided in the estimates of 72,394 officers, non-commissioned officers, and men of the British army, and 143,619 officers, non-commissioned officers, and men of the Native army; so that the Budget for 1897–98 is less than the Budget for 1896–97 by Rx. 522,200. I will now state the more important causes of decrease in the estimates for 1897–98. We hope to save about Rx, 30,000 on exchange compensation allowance owing to a more favourable rate of exchange. Less provision has to be made in the case of British troops owing to the exchange being taken at 1*s.* 2½*d.* instead of 1*s.* 1½*d.*; that gives us nearly Rx. 200,000. Then smaller provision is necessary for expeditions and special services, amounting to Rx. 61,000.

"The abolition of the grass-cutters' establishment in British mounted corps in the Bengal and Punjab Commands will give a saving of Rx. 22,000. It has been explained in this Council before that we can no longer, with due regard to the interests of the people, employ grass-cutters to obtain the grass required for mounted corps, and that we have to make other arrangements, either by contract or by supply, from grass farms.

"Then there has been a reduction in the strength of the mounted infantry in Burma, which gives us some saving; also in various items under the head of Commissariat, while again there is a smaller purchase of transport animals due partly to the revised allotment of the transport in Burma. These two items amount to a considerable sum.

"The reduction of the military expenditure in Burma is a matter which I have specially inquired into; it has declined annually for a good many years past, and, as regards the transport in that country, I hope it will not be long before we obtain all the mules we require there from Western China and the bordering States.

"In the coming year there is a smaller provision for the hire of transport, and we save by the employment of transport mules in draught work. This gives a saving of Rx. 29,000.

"We propose also to somewhat restrict the purchase of young stock for the Remount Department. We have already 1,400 young stock, and for various reasons we think it advisable not to purchase quite so many as usual. Then there is the more favourable rate of exchange for payment for Australian remounts. These two items make up a saving of Rx. 8,400. There is a smaller purchase of Ordnance mules, but that is really a transfer to the Home Estimates, as we unfortunately cannot get the number of Ordnance mules required for mountain batteries at present in India. The mountain batteries require mules of a higher standard than is necessary for transport purposes, and we have been advised that we should purchase a certain number of mules from Southern Europe, so as to give the market a rest for the time being. I am in great hopes, however, that, by the greater encouragement of mule-breeding, we may in the future be able to obtain all the mountain battery mules we require in this country.

"Then there are a considerable number of items of reduction which we think are justified by past actuals. This subject has been very carefully examined, and we believe that in certain cases the requirements have been estimated for too highly. The total decrease, taking, however, only the more important heads, amounts to over Rx. 100,000.

"Then we come to the more important causes of increase, and here again I shall only take a few items as examples. The rise in the price of food-supplies for men and animals, and the special grant of compensation for dearness of provisions, under civil rules, to military employés, amounts to nearly Rx. 400,000. As a rule the provision for such supplies is based on the actuals for the three previous years, but the prices now existing are so abnormal, and are expected to continue for at least a portion of the coming year, that we have been obliged to abandon the ordinary method in order to arrive at a correct provision. The Controllers have done all in their power to arrive at a fair estimate, and these figures have been revised by the heads of departments concerned—the Commissary General-in-Chief and the Director of Army Remounts. These figures have been since reduced after prolonged scrutiny by the Military and Finance Departments. A larger provision has to be made on account of good-conduct pay to British

British and Native troops based on actuals. Then, having examined the returns of the deficiencies in the Native Army during the past 12 months, we feel that we must make a smaller deduction for the short strength of that Army; that means an increase of Rx. 12,000. We have to provide for more kit money for recruits, and extra provision has to be made for officers who become unemployed owing to the termination of their tenure of commands, and also for an increase in the number of colonels' allowances paid in India.

"We have taken in hand a matter which has been under consideration for some time, and that is the management of the dairy farms. It is most essential that the troops should be supplied with pure milk and butter, and a model dairy farm has been established at Umballa, combining with it a school for the instruction of managers of Government dairies, and the improvement of existing dairies. We hope that this plan will be gradually developed, and that it will result ultimately in every cantonment in India being supplied with pure milk and butter. This is really a most important sanitary matter, and I have no doubt that, from the financial point of view, it will be a success, if it is worked, as we hope it will be worked, reasonably and properly.

"Another item of increase also needs some explanation; that is, the increase of pay to medical officers. It has long been a grievance that certain junior ranks of the Army medical staff are not paid sufficiently in India, and a small increase has been made to their pay. Then there is another item of increase which I am sure the Council will not grudge, that is, the cost of a medal for the relief of Chitral and the defence of Chitral. That means an expenditure of Rx. 8,500. I regret the delay which has occurred in the issue of the medal, but the Mint took up the work the moment the dies were received from home, and the medals are now being rapidly turned out.

"If we take only the important items of increase (I have only been able to mention some of these) the amount comes to over Rx. 550,000. I have already explained how the Estimates are prepared. When these were closed by the Accountant General we still had to decide how many out of about 100 items, which had been kept back to see what money was available, should be entered in the final Estimates. Under the circumstances of financial pressure we selected a certain number for postponement, and, having consulted the Commander in Chief, we agreed to the reduction of about Rx. 65,000, or 6½ lakhs. Those items that were retained were then added to the Estimates, which were finally closed. I think the Estimates may be said to have been framed with economy; that all items of expenditure proposed during the year were carefully scrutinised, and we had to postpone, at the last, many items which in happier financial times we should have desired to retain. The net result is that the Budget Estimates of 1897-98 are Rx. 522,200 below the Estimates of 1896-97. If we were to throw out the gain by the rise in exchange, to eliminate the special charges for mobilisation, and the loss by the extra cost of food supplies owing to famine, there would still be a saving in the Revised, as compared with the Budget, Estimate of 1896-97 of about Rx. 302,000, and a saving in the Estimate of 1897-98, as compared with the Estimate of 1896-97, of about Rx. 201,000.

"The second of the Estimates with which the Military Department is concerned is the Home Estimate. The Home Estimates for 1896-97 amounted to 4,365,200*l.*, net expenditure; the Revised Estimate amounts to 4,193,600*l.*, showing a decrease of 171,600*l.*

"So much public interest has been attracted to the details of the home charges, which are estimated for in the year 1897-98 as amounting to 4,353,400*l.* on account of the effective and non-effective charges of the Army, that it may be of interest to the Council to know of what these charges consist, more especially as several honourable Members have alluded to the home charges. The payments to the War Office in respect to the British forces serving in India, amounting, as estimated in the coming year, to 760,000*l.*, are based on the capitation rate of 7*l.* 10*s.* per man serving in India, and the charge for the deferred pay issued to British soldiers on their discharge or transfer to the Reserve. The deferred pay amounts to about 180,000*l.*, so that the estimated amount for providing the drafts and troops for Indian service sent out from home annually is about 580,000*l.* This amount, based on the capitation rate, includes not only all the charges connected with the training of the men sent out, but various charges on account of educational establishments in England

for officers and men, and charges on account of the reception and disposal of invalided and discharged men on return from India. Then we have the item, furlough allowances and pay during the voyage of British soldiers serving in India. That amounts to 108,000*l.* and explains itself. The furlough allowances of officers of the Indian service comes to 230,000*l.*; and the Indian trooping service, *i.e.*, the cost of the transports which take British troops to and fro, 251,800*l.* There is also an item, 6,000*l.*, for the passage of officers and troops otherwise than by troopship; and the heading "Miscellaneous," 18,500*l.*; while the stores for India amount to 566,800*l.*; these are for clothing, ordnance, medical, and commissariat stores required in India. Certain corrections have been made by the Secretary of State to these totals, which amount, with those corrections, to 1,920,600*l.*

"Then we come to the non-effective charges. We pay the War Office for retired pay of the British forces who have served in India, both officers and men, 486,000*l.*, and there is a charge for non-effective colonels of Royal Artillery and new line regiments of 24,800*l.*, while the pay and pensions of non-effective and retired officers of the Indian service amount to 1,800,000*l.*, the miscellaneous pensions amount to 84,000*l.*, and the Indian military service family pensions to 26,000*l.* A correction has also been made in these figures, but we have not got the details. The total, as revised, comes to 2,431,800*l.*, and the grand total under both headings, effective and non-effective, is 4,353,400*l.* The saving, 171,600*l.*, in the Revised, as compared with the Budget, Estimate for 1896–97 is due to reduced payments to the War Office on account of deferred pay, less payments to the Indian troop service, and large reductions in expenditure on stores. The saving in the Estimate of 1897–98, as compared with the Budget Estimate of 1896–97, is a net decrease of 52,000*l.* The increases are caused by an increase in deferred pay, 30,000*l.*, and increased payments on account of the retired pay of British forces, &c., and for the Indian service, 65,600*l.* The decreases are chiefly in the Indian troop service, for coal, 9,000*l.*; in army stores, 121,300*l.*, and other items; the net decrease being Rx. 52,000*l.*

"It is only necessary to point out that, when we speak of the charges made by the War Office against India, we must not imagine that the whole of the charges I have detailed are War Office charges, because a large portion of them are strictly debitable to Indian revenues. The charges, I may say, for the information of the Council, which are really in dispute, are the payments to the War Office for the British forces serving in India and the non-effective charges for these forces.

"I will now deal with the Military Works Estimates. Taking the Budget for 1896–97, including expenditure in England, exchange, and special defences, this amounted to Rx. 1,240,900, and the Revised Estimate in 1896-97 to Rx. 1,216,400, so that there was only a small difference between the Budget and Revised Estimate. On the Indian part of the Estimates, however, there was less expenditure by about 11½ lakhs, or Rx. 113,000. This was to a large extent due to the sites for posts in the Tochi Valley not having been fixed, and to the impossibility of spending the money allotted. There were several other items upon which the money granted could not be spent, and certain works in the Bombay command had to be postponed owing to the plague. Turning now to the Estimates for 1897–98, the total sum, including English expenditure, special defences, and exchange, is Rx. 1,200,600. The Estimates for 1896–97 were Rx. 1,240,900. The difference is, therefore, Rx. 40,300.

"The heads of the Military Works Estimate in India are, in round figures—

Rx. 500,000 for original works, including works in progress, those to be commenced, and minor works;
Rx. 340,000 for repairs;
Rx. 280,000 for establishments;

and to this we must add other items, such as for Barrack Department, tools, and plant. The new works, 88 in number, comprise water-supply, drainage works, barracks, hospitals, a comparatively small sum for inland defences, and we have also to provide for ordnance, commissariat, and marine requirements.

"We have not been able to do much in the way of ordinary inland defences, and can only spend Rx. 10,000 on these for very urgent works. We have provided Rx. 18,000 for certain works on the frontier and coast defences, but have had to omit

omit Rx. 25,000 for new works required for what are still called "Special Defences." We have provided for the works necessary for the accommodation and health of the troops in the Tochi Valley, at Gilgit, Chitral, and in the Malakand, in the amounts for new works which I mentioned.

"Although the Military Works grant is considerably in excess of the "crore," or Rx. 1,000,000, which was fixed some 17 years ago, we are really very little in excess of the average amount that was granted in the five years preceding the year in which that sum was fixed. Since then the army has been considerably increased, and the area in which military works are required has also expanded.

"I have to deal lastly with the estimates of the Royal Indian Marine. The net Budget Estimates for the Indian Marine of 1896–97 were Rx. 149,900; the revised Estimate is Rx. 120,200, giving a decrease of Rx. 29,700. The decreases are due to less exchange compensation allowance, the absence of certain officers, savings in the dockyards, and in the purchase of marine stores and coal; while the recoveries have been swelled in connection with the fitting of transports for Suakin. Altogether the decreases amount to Rx. 32,800.

"The increases are chiefly due to increased expenditure on salaries of establishments afloat, owing to the employment of Royal Indian Marine vessels in conveying troops to Mombassa and to and from Suakin, and the hire of the 'Lalpura' for the transport of troops after the wreck of the 'Warren Hastings'; to repairs and coals supplied to Her Majesty's ships in the Indian seas, and to indemnification for loss of property to the officers and crew of the 'Warren Hastings.' Altogether there is an increase of Rx. 19,900; and taking the increase against the decrease, there is a net decrease of Rx. 12,900, but to that we have to add the receipts due to the employment of Royal Indian Marine vessels for conveying troops from Mombassa and to and from Suakin, which come to Rx. 16,300; so that the total decrease in the revised Estimate, as compared with the Budget Estimate, is Rx. 29,700.

"The Marine Budget Estimate for 1897–98 is in net charges Rx. 139,100, whereas the Budget Estimate for 1896–97 was Rx. 149,900, so that this gives a decrease of Rx. 10,800. The decreases, amounting to Rx. 33,400, are chiefly due to exchange compensation allowance and a reduction owing to the loss of the 'Warren Hastings,' and to various other items, such as purchase of marine stores and coals, &c. The increases are due to the hire of the transport that will be necessary for performing the duties hitherto carried out by the 'Warren Hastings,' repairs and coals supplied to Her Majesty's ships, and other items, which make up a total of Rx. 17,300; showing a net decrease of Rx. 16,100. Taking into account the receipts and charges, the net saving amounts to Rx. 10,800.

"One word more, on the whole of the Estimates with which I have dealt; the total saving on India, Home, Military Works, and Marine Estimates for 1897–98, is over Rx. 600,000, as compared with the Estimates for 1896–97, and, even if we eliminate the gain by the rise in exchange and the mobilisation expenditure, and on the other hand the rise in prices, the saving would still be very considerable.

"If it is not trespassing too greatly on the patience of the Council, and I fear I shall tax that to the utmost limits, I should like to indicate as briefly as possible the chief events in the work of military administration during the financial year which is now coming to a close. The first thing that occurred was the despatch of a force to Suakin on the requisition of Her Majesty's Government between the 21st and 26th May, 1896. A compact force of about 2,500 officers and men, with 1,200 or 1,300 followers, was despatched from Bombay in eight hired transports and in the Royal Indian Marine Ships 'Warren Hastings' and 'Canning.' The force returned in November and December; and, although the Indian Contingent was not involved in actual hostilities, we had the gratification of knowing that the services of the force were appreciated by Lord Cromer, a statesman who once sat in this Council, by the military authorities in Egypt, by Her Majesty's Government, and that these services were graciously recognised by Her Majesty the Queen-Empress of India. It need hardly be said that the arrangements under His Excellency the Commander-in-Chief were in every way thorough and complete, and the Marine Department under Captain Gwyn, who was officiating as Director of Marine at Bombay, performed excellent service in the despatch of the force. It returned to India

under the arrangements made by Captain Hext, who had then come back from England after giving evidence of a valuable character before the Royal Commission on Indian Expenditure. I need hardly do more than allude to the fact that the question of the Suakin charges formed the subject of considerable discussion between the Government of India and Her Majesty's Government. A blue book has been published, and, if they have not already read it, I strongly recommend this to their perusal, and I believe that a careful study of it will induce some of my friends opposite to recognise that the Government of India for a series of years have staunchly fought the cause of India with respect to charges of this nature.

"A very difficult subject had to be taken up by the Government of India during the past year. A Committee, the president of which was Mr. Lyall, an able member of the Civil Service, was convened in 1894 to inquire into questions connected with the Military Works and Public Works Departments and the employment of Royal Engineers in India. That Committee furnished a valuable but rather voluminous report which has been exhaustively discussed and dealt with; and we have also had to take up the question of the establishment of Royal Engineers in India and the future organisation of the Royal Engineer service in this country, and many matters connected with that service. As the conclusions to which we have come are not actually complete, I shall say no more on the subject but that it is one which bristles with difficulties, although we hope that we have arrived at an equitable solution of the problems presented to us. I gladly take this opportunity of mentioning that we have received much assistance from the presence of General Heriot Maitland, who was deputed by the War Office to represent their views in this matter.

"Another point which merits attention is that certain Local Corps in Rajputana and Central India, which were directly under the Government of India, have been allotted to the Bengal and Bombay Commands respectively, and placed under the orders of the Commander-in-Chief, while at the same time the powers of the Agents to the Governor-General are safeguarded with reference to the distribution and movement of the troops and other matters.

"I have already given the Council some account of how far the mobilisation requirements for the completion of the equipment of the field army have been fulfilled. The plan of preparing a field army for mobilisation was started in 1886; in the earlier years of its history the work was entrusted to a Mobilisation Committee, of which Lord Roberts was President, and the work of that Committee was described by Lord Dufferin as a splendid monument of ability and industry. Year by year in the last ten years improvements have been effected, and a considerable amount of money has been granted. But, although we had for many years desired to obtain the money sufficient for the complete equipment of the whole field army, we felt that we could not press this owing to financial exigencies. Last year a considerable grant was given for the purpose. Owing to causes already explained, we have not been able to carry out our intentions entirely; but, at all events, we have done so to such an extent that the further equipment of the field army has allowed a revision of the arrangements so as to permit a more rapid concentration of the troops when necessary; and I hope that the Commander-in-Chief would say that the field army was now in an efficient condition, and ready to take the field whenever its services might be required in any direction. We can never say that the plan is absolutely complete, because year by year we hope to effect improvements which will add greatly to the efficiency of the organisation.

"Good progress has been made in the work of the various Army Departments during the financial year. In the Commissariat-Transport Department I have already described the provision that has been made for the equipment of the field army, and, with exceptions which are not considerable, the equipment has been provided. Various classes have been held for training non-commissioned officers of the Commissariat-Transport Department. The bakery classes have produced good results in the improvement of the quality of the bread, and we have under consideration a proposal to extend the system of bread-making on English principles to the Madras and Bombay Commands during the next year. We have closed certain Government flour mills and have obtained flour from the open market at less cost. Under improved local arrangements in the Chitral District, and by fostering local enterprise there and along the line, a larger quantity of supplies has been obtained locally. In the

the Bombay Command the Commissariat Department has taken up the grass supply, and grass farms have been started with good results, while in the Madras Command we have now sanctioned the formation of grass-farming operations as an experimental measure.

"As to transport, a small number of mules have been lent to the planters in the Darjeeling District; a larger number of siege-train bullocks have been lent to the Postal Department, and a certain number of mules. I only hope that these small beginnings will be largely developed, as I have long been convinced that the adequate employment of transport in peace time is a matter which must be thoroughly pushed. The transport in Burma has been re-distributed, resulting in a large saving. We have gathered further experience in transport from the Chitral campaign, and have just had a committee at Rawal Pindi under Mr. Thorburn, the Commissioner of Rawal Pindi, to assist us in coming to a conclusion in many important matters in which we think we can improve the arrangements for the collection of transport in case of emergency.

"In connection with the Army Clothing Department, I may mention that the new clothing scheme has been introduced from the 1st April 1896, which will, I think, be satisfactory and economical. Good work has been done in the clothing factories both at Alipore and Madras. During Colonel Toker's tenure of office many improvements have been made, and I regret that we are now losing his valuable services.

"In the Ordnance Department the reserves of small-arm ammunition for Magazine rifles, ·303 for British infantry and the Martini-Henry for Native infantry, are complete. The power to manufacture ·303 ammunition has been increased. The proof of projectiles and fuses has commenced at Balasore, and very satisfactory results have already been obtained. Two ordnance field parks have been completed for the field army for some years, but the parks for the other divisions are now nearing completion. The experimental manufacture of cordite will, I hope, commence in the last week in April.

"In the other departments connected with the Military Department, such as the Military Works and Remount Departments, excellent progress has been made in the various branches of their work.

"Several of the speakers who have preceded me have mentioned the subject of the home charges.

"Considerable attention has been attracted to the evidence given before the Royal Commission on Indian Expenditure. In 1893 the Government of India pressed for an independent inquiry into the charges made by the War Office and other matters, and in 1895 a Commission was appointed. I suppose there are very few members at this Council who have waded through the two large volumes which represent the preliminary report of the Commission, with the evidence and appendices. Since those volumes were issued a considerable amount of interesting and important evidence has been published in the Press, in respect to War Office charges, by Lord Northbrook—who has long devoted himself to the subject, and probably knows more of it than any man living, —by Lord Roberts, Lord Lansdowne, and by my predecessor, Sir Henry Brackenbury.

"The Government of India for a great many years have represented that the charges made by the War Office are higher than they ought to be. On the other hand, the War Office contend that they treat us too generously. I should like to refer for a moment to the Despatch which was sent home by Lord Lansdowne's Government in 1890, which will be found in one of the volumes to which I have alluded. To that Despatch was appended a memorandum by Colonel Anderson, now Controller of Military Accounts in the Punjab, and myself. I do not claim to be an expert in these matters, but I devoted a great deal of time to the subject, and the principles we advocated in that memorandum were accepted by the Government of India and are embodied in that Despatch. Those principles have been accepted by your Excellency's Government.

"In the first place, the Government of India did not admit that the short-service system as at present worked is the best adapted to the requirements of India. According to the War Office actuaries, a British soldier will render to India no more than five years and four months' service when normal conditions have been reached. We said that was not sufficient; that the service should

be somewhat longer; and that, if the present arrangements cannot be altered, India should receive some consideration when the charges are assessed. An effort has been made to show that what we wanted was to return to the conditions of old days of enlistment for unlimited service or of long re-engagements. This is an entire misinterpretation. All that we want is that men trained at the expense of India shall give a somewhat longer service, and shall not be sent home at the age of 25 or 26 just as they are becoming valuable soldiers. The normal condition of the Army has not been reached, but the ratio of young men under 25 has increased from 33 per cent. in 1876-77 to 55 per cent. in 1895-96. It has also been asserted that the Army is physically more efficient than it was before, when longer service obtained. Now, I think I can prove that the decrease in mortality among British soldiers in India is not consequent on the introduction of short service; it is the result of measures which have been introduced at the expense of the revenues of India, beneficial to the health of the soldier. In the early part of this century the mortality was no less than 84 per thousand, but it gradually decreased until, about 1877, when short service began to tell in India, the mortality was only 12·71. This was a year of low mortality. The year previous it was 15·32, and 1878, 21·46. In 1895 it was 15·26, so that, as the enormous decrease in the death-rate occurred before short service was introduced, or began to have effect, it cannot be said that short service alone has decreased mortality.

"With regard to invaliding, it is undoubtedly the case that the invaliding ratio has diminished, but there has been an increase in the percentage of invaliding of men under 25 years of age and under five years' Indian residence, so that, if the figures mean anything, they mean that invaliding has increased among the more youthful portion of the Army, and consequently that short service *per se* has increased and not decreased invaliding; in fact, the decrease in the total invaliding ratio is no more due to short service as such, than the decrease in mortality is a consequence of short service. In the numbers constantly sick there has been a considerable increase. The ratio of decrease was from 71·35 in 1860, to 55·82 in 1877, when, as I have said, the effect of short service began to show itself in India, and it rose to 93 in 1895. I affirm, therefore, that the contention in Lord Lansdowne's Despatch of 1890, that we do not get an army which is physically as capable as an army containing a larger proportion of men of somewhat longer service, is absolutely correct.

"We maintained also in that Despatch that the charges on account of the depôts at home were too much, as they were based on an organisation not adapted so much to the requirements of India as to the requirements of England. It is easy to say, 'do not let us quarrel about details,' but unfortunately it is upon the details that the capitation rate of 7*l.* 10*s.* is based; we say that a 5*l.* rate is sufficient. For my part I am quite willing to abandon details and to accept the 7*l.* 10*s.* rate, if the War Office or the Treasury will give us a considerable rebate on the total sum. There were a great many other points, with which I need not trouble the Council, which we took up and upon which I was examined when I went home in the winter of 1895-96 for the purpose of appearing before the Commission. We maintain that the Indian Army does supply a great addition of military power to England, that a large part of the British Army is trained at the expense of India, and that the whole of the men passed into the Reserve from India have been maintained out of Indian revenues. We affirm that the guiding policy in this matter, as in the case of troops employed on expeditions, should be that of true reciprocation, and that the expenditure charged by England should be limited, not by arithmetical details, but by statesmanlike and broad appreciation of the conditions of the two countries. My Lord, my honourable friend the Maharaja of Durbhanga has, in alluding to these home charges, quoted the evidence of Sir Henry Brackenbury, and has called attention to the fact that Sir Henry Brackenbury considered that a very large portion of the charges levied by the War Office should be abandoned. I can only say that personally I should welcome any liberality from the Treasury at home of that kind, but I think my honourable friend did not perhaps appreciate that Sir Henry Brackenbury also proposed a large increase to the subsidy now given by India on account of the Navy. Taking the

the two accounts into consideration, they would work down, as mentioned by Lord Welby, the Chairman of the Commission, to about 150,000*l.*, and that is considerably less than the reduction we proposed in the despatch of 1890, and which I personally pressed for before the Royal Commission.

"As to the subsidy now given on account of the ships of the East India Squadron employed in Indian waters, I believe that it was never originally intended by Her Majesty's Government to charge any subsidy at all; and, as we have provided defences for our ports at great cost, a defence squadron which has been, and is being, paid for by India for the protection of those ports, and docks for naval requirements, we consider that the subsidy which now stands at 100,000*l.* should be reduced to 50,000*l.*, the figure at which it stood some years ago. Personally, I consider that England could well afford not to charge any subsidy at all, and that to keep the great trade routes open by means of the Navy is far more imperative in Imperial than in purely Indian interests.

"I think we may hope that an equitable solution of the questions, which have been discussed for so many years, may be looked for at the hands of the present Commission.

"A great deal of attention has been attracted of late years to the sanitary requirements of the Army in India, and, in view of what has been said in some of the evidence which has been given at home, I think it necessary to lay before the Council a brief statement of facts. As you are all aware, the British soldier in India is housed in excellent barracks, many of which, however, were constructed 30 to 40 years ago, and a considerable portion of the Army is provided for in the hills in hut barracks during the hot weather, a measure largely due to the late Sir George Chesney. During this period much has been done with regard to water-supply, and I think it will interest the Council to know that, out of the whole number of cantonments in India, between 50 and 60 have been supplied with pure water at a cost of 78 lakhs or Rx. 780,000, although I should think that this statement is scarcely complete, and that the figure is much more likely to be close upon a crore of rupees.

"In his evidence before the Commission, Sir Henry Brackenbury is reported to have said that we are providing a cantonment or half a cantonment a year with pure water, and that some cantonments may be 20 or 30 years before they obtain a satisfactory supply, but that if we could take a lump sum of money we should not have our soldiers dying of fever and cholera because they have not a pure water-supply. The Council will be glad to hear that for the year 1897–98 we have provided a sum of about 11 lakhs, or Rx. 110,000, for either the completion or the initiation of projects for water-supply in cantonments; but, although I think Sir Henry Brackenbury may perhaps not be aware that we are doing so much at the present moment, I entirely agree with him that a sum of this dimension is not sufficient, and that, if we are to make a great stride in this direction, some other means must be adopted than that which now obtains, of allotting a comparatively small sum annually out of the grant for Military Works.

"As far back as 1888 I advocated the completion of the water-supply of Indian cantonments from funds to be raised by loan. An eminent statesman characterised this as a voluptuous policy, and I am fully aware of the financial objections, and that from the financial point of view it is more advisable to charge such expenditure against revenue, than to delude ourelves into thinking we have a surplus of revenue, by leaving out of the reckoning this heavy, though temporary, expenditure. However this may be, and I entirely admit the financial argument has great force, we cannot help looking with envy at the enormous sums England raises by loan when special expenditure is required for ships or fortifications, or barracks and sanitary measures; and the fact remains that we cannot complete our water-supply and drainage projects by the allotment of comparatively small sums annually, and I venture to hope that as our finances improve we may be able to largely develop and carry out our sanitary projects. The Council know what ravages cholera and enteric fever have made in the youth of the British Army in this country. Cholera has diminished of late years; in 1895 there were only 32 deaths in the British Army in the whole of India; but the enteric fever ratio of admissions to hospital has risen from 3 per thousand in 1871-72 to 26 per thousand in 1895–96. Bacteriological science

has done much for us, but, so far as I can gather from the report of the Sanitary Commissioner with the Government of India, we have not advancedas far as we hoped we should have done. Good barracks adapted to varying climatic conditions, pure water-supply, and good drainage, are the great essentials to sanitation in cantonments, both British and Native, and we should never rest until these are obtained. The honourable Pundit Bishambar Nath has drawn attention to the housing of the Native Army, and, as far as I could gather, he appeared to consider that, while we provided for the British troops in palatial barracks, we rather neglected the Native Army. I agree that some 10 or 20 years ago the accommodation for the Native Army was not what it should have been, but at the same time we must recollect that that accommodation is much better than the classes from which the Native Army is drawn. A great deal has been done of late years to improve the accommodation for Native troops; we have to do it gradually, as, according to the present system, we cannot provide any very great sum of money for the purpose; but I can assure the honourable Member that there is no subject which I have more at heart, and I should rejoice if means were found to make a still greater improvement than has already been made in the housing of Native troops. We hope to start a plan of having sanitary officers in all cantonments to look specially after sanitary matters. This idea was broached long before the present time when naturally sanitary requirements have come specially to the front. And here I should like to say how deeply we sympathise with Bombay, Poona, and Karachi, in their endeavours to stamp out the plague. The army is bearing its part, for soldiers, British and Native, and Volunteers, are assisting the civil officers and community in doing splendid work.

"In connection with the requirements of the Indian Army in the matter of officers, a subject which has more than once been alluded to in the Council, it is known that some years ago we endeavoured to establish a reserve of Indian officers to be drawn from the official and non-official classes. It would take far too long to explain the whole scheme for this reserve, which was very carefully considered by a committee, the President of which was General Morton, now Adjutant-General in India. But this proposed reserve of officers has from one cause or other never been practically in existence until quite lately, when many officers of the Public Works Department loyally volunteered for it. We thought that it would be a good plan to have a committee comprising the official and non-official element to investigate the causes of the comparative failure of our scheme. A committee has lately been sitting in Calcutta, again under the presidency of General Morton. But I wish to acknowledge most cordially the aid which we have received in the investigation of this subject from the members of this committee; and our thanks are especially due to the gentlemen who represented the commercial and planting communities, for the valuable assistance which they have given to us.

"The honourable Pundit Bishambar Nath also mentioned the subject of local supplies. I can assure him that the policy of obtaining local supplies is one which shall be pushed forward as far as it is possible. It is a policy which I have always had at heart, and the Military Department, I venture to think, has for a great many years done a great deal to support and develop that policy. Only lately we have instituted inquiries with regard to the more extensive use of country coal both in the Ordnance and Marine Departments, and I have done my best to further a policy which is, I believe, absolutely sound, that of making India self-supporting in all military requirements to the utmost extent practicable. I do not say that we have by any means reached the limit, but we have been able to do a good deal.

"As to the economies which can be effected in the future, I think that we must continue on the path we have followed in the past, by endeavouring to analyse constantly all sources of military expenditure to see how the expenditure can be reduced with full consideration of the efficiency of the Army. I do not in the least depreciate the value of small economies, but I do think we must continue to apply ourselves to the investigation of the great sources of expenditure; but, while I am on this part of the subject, I should like to invite the attention of the Council to the table which is given at page 52 of the Financial Statement. Taking the whole expenditure as estimated

estimated for in 1897–98, both in India and England, including exchange, you will see that it amounts to Rx. 23,314,200 net; but out of that amount no less than Rx. 19,862,300 is for regimental pay and allowances, Commissariat, Ordnance, and non-effective charges, in none of which charges can any extraordinary reductions be looked for, so that Rx. 3,451,900, which includes, it may be added, a large amount of expenditure which cannot possibly be reduced, is the balance which is left after providing for these absolutely obligatory services.

" Under the head of Home Expenditure, to which I have drawn attention, we do trust that we may look for some reduction.

" In the Military Works Expenditure, although I should be the last person to say that more economy cannot be practised, yet the wants of the army are so great in various ways, especially in sanitary improvements, that it is quite out of the question to look for a reduction of these estimates, especially when we remember that the maintenance of the great defensive works which are now practically complete must necessarily involve considerable annual expenditure.

" In the expenditure for Marine, economy is the watchword of the Administration, while at the same time the service is in a highly efficient condition. We have sustained a great loss by the wreck of the " Warren Hastings." Our only consolation is to know what perfect discipline was maintained by all concerned, and to this is largely attributable the small loss of life which occurred. We cannot be too grateful for the kindness, sympathy, and assistance, afforded by the French officials and inhabitants of the Island of Réunion, and we have asked Her Majesty's Government, if this has not been done already, to mark our high appreciation of the conduct of the officials and inhabitants generally in a suitable manner.

" My Lord, the Honourable Mr. Ananda Charlu, as I remarked before, attacked what he calls the forward policy, which he says has added six crores per annum to the military expenditure. He has said that the ever-growing military expenditure is of colossal proportions; he traces every kind of evil to the Afghan War, and he asserts that military expenditure is the root of the financial collapse of India. Now, my Lord, this is a subject which I may say I am somewhat familiar with. Many years ago, in Lord Dufferin's time, I analysed the military expenditure, and satisfied His Excellency as to the correctness of that analysis. Later on, in more recent years, I went into the subject very closely again. The Accountant-General has been good enough to supply me with a statement showing the net military expenditure for several years past. I have already occupied too much of the time of the Council, and I cannot possibly go into details, but I have taken the two years 1887–88 and the Budget Estimate for 1897–98. In the former year the expenditure is Rx. 13,666,308; in the latter year Rx. 15,277,800. This is, of course, without exchange, the loss in which I suppose my honourable friend will hardly attribute to the Afghan War; the difference between those two years, *i.e.*, the rise in expenditure, is Rx. 1,611,492. I maintain that there is no addition of military expenditure which is not accounted for by the increase of the army, and by the various beneficial measures which have been introduced for the welfare of the British and Native troops; for example, in the case of the latter, the increase of pay to the cavalry and infantry.

" There is a curious idea which is prevalent that in the Council of the Governor-General there is a strong military party, ever insisting on the increase of military expenditure, always demanding the advance of our frontiers, and ever ready to plunge the country into expeditions or campaigns. I can only say that my experience teaches me, and it is a pretty long one, that such a party does not exist and never existed. It is perfectly true that, as Lord Lansdowne remarked some years ago in this Council, our military liabilities have increased because on our northern and southern limits we were approached by two great military Powers. Now, we desire to keep on the best of terms with them and to avoid the least chance of collision; but, as the state of things which Lord Lansdowne described has come to pass, the most elementary prudence dictates that we should provide adequate means of security. We have no quarrel and desire no quarrel; but the security of our land frontiers can only be obtained by an efficient and mobile army. An

increase in the army, of the most moderate description, was resolved upon some 12 years ago by Her Majesty's Government and the Government of India; and, apart from increases in pay to the native army, which were absolutely necessary, and of expenditure on measures of improvements essentially necessary for the welfare and efficiency of the soldier, whether British or native, there has been no expenditure which is not accounted for by that increase. I have gone over this subject over and over again, and can come to no other conclusion.

"As to there being a military party always desirous of advancing the frontiers of India, and carrying out what has been termed 'the forward policy,' I should like those who think of the question to define what a forward policy is. In the history of all nations with enormous land frontiers such as we possess in India, it has undoubtedly been found necessary to exercise some control over the tribes in mountainous or difficult country on the land frontiers, and that has been the case in India. The result of what may be called the 'backward' policy—going into the hills, and burning villages, and then coming out again—was certainly not successful. The great settlement of the limit of British influence with the Amir of Afghanistan, which has advanced so much under your Excellency's guidance, and which we trust will be completed at no distant date, will contribute enormously to the pacification and civilisation of the tribes immediately beyond the border of the plains. We have an example in what has been done by Sir Robert Sandeman, and how peace now reigns where anarchy and bloodshed always prevailed. I can vouch for the fact that, among all the statesmen to whom is attributed the support of the forward policy, there is not one who desires to do more than to exercise such a measure of control as will secure and make safe the countries for which we are primarily responsible. I have always been an advocate of the very gradual extension of that influence, but it is inevitable that our influence should be extended, and I believe it to be in the best interests of humanity.

"But, when we talk of the vast military expenditure which has occurred in maintaining the Army in India, taking into account every charge which can possibly be assessed, what does it amount to? The trade of India, I am told, may be totalled at over Rx. 459,000,000; the cost of the army, as we find in the Financial Statement, including charges in England, exchange, and everything, amounts to Rx. 24,500,000, including military works, that is to say 5·34 per cent. of this enormous trade; and this army is for a country containing some 300 millions of human beings and an area of 1¼ million of square miles —a country, too, possessing many thousands of miles of land and sea frontier which it is necessary to guard.

"In his speeches in this Council my predecessor on more than one occasion alluded to what he called the last official will and testament of my lamented friend Sir George Chesney. Sir Henry Brackenbury informed the Council that Sir George Chesney had left with him a minute showing what were the reforms and improvements which he considered were still necessary in the Army of India. As Sir Henry Brackenbury pointed out, most of them have been accomplished; but the memories of India are short, and I venture to think that sufficient justice has not been done by the public, or even by the Army, to the great efforts, attended in most instances by complete success, which were made by Sir George Chesney during his long and distinguished career for the improvement of the administration and organisation of the Army in this country.

"In his speech in this Council last year Sir Henry Brackenbury summarised the wants of the Army. He said that the Army required more officers, more transport, and more garrison artillery.

"I can assure the Council that the first subject, the want of officers, has not been overlooked by the Government of India; it has been for many years a subject of anxious consideration, but our financial condition has never been prosperous enough to admit of our bringing the proposals to increase the strength of officers on the Indian establishment into practical effect. All I can say at present is that the subject is not likely to be shelved, although we must recognise the difficulty, if not the impossibility, of our adding to our military expenditure until our exchequer is in a more satisfactory state.

"In the matter of transport, I should be disposed to say that what we require

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is not so much an additional number of transport animals and carts, for we already have a large number of mules and carts, but an improvement in the organisation we possess, so that cadres of transport may be more readily expanded, additional attendants and reserves of this class of followers obtained, and that we require also that transport should be more largely and usefully employed in time of peace.

"As to increasing the garrison artillery in this country, I fear that must be postponed, and that we must look to the artillery volunteers to help us, at all events, at the great ports. We already have very efficient bodies of volunteers who would prove valuable auxiliaries in the case of an attack by a naval power.

"It is scarcely necessary to inform the Council that the system of military administration, and the division of the Army into four great commands, has continued to be during the past year an unqualified success. That is one of the reforms largely due to Sir George Chesney; its key-note was decentralisation of military business and military finance, and in the further development of those principles I look hopefully to the future.

"If in the presence of the Commander-in-Chief I venture to express my own belief that the efficiency of the Army of India is at a very high standard, I am only repeating what has been said by far higher authorities than myself. During the last 10 or 12 years, under Lord Dufferin, Lord Lansdowne, Lord Roberts, Sir George Chesney, and in more recent years under your Excellency and the present Commander-in-Chief, great improvements have been effected in the Army of India. Every year these improvements have been carried to greater completeness by the Commander-in-Chief and by my predecessor, Sir Henry Brackenbury, contributing to the comfort and welfare of the soldier, both British and native, and to the maintenance of an efficient and mobile army, administered economically, in the truest and best interests of the Indian Empire."

The Honourable Sir John Woodburn said: "My honourable colleague on the left (Sir James Westland) has got a formidable business before him. He has had very voluminous criticisms to meet, and it may, perhaps, lighten his task if I take up the answers to those remarks that have been made with regard to famine work in India. In the first place, I should like to express the great pleasure with which I heard my friend the Honourable Babu Joy Gobind Law praise the efforts of the local governments and officers in mitigating the pressure of famine in the land. Those remarks have the entire approval of the Government of India. His Excellency himself and I on another occasion have expressed the high appreciation of the Government of India, and now I am glad to say the people of India have endorsed it, of the disinterested and devoted efforts that the local officers have made in famine relief. The Honourable Mr. Sayani in his remarks asked us to bear in mind the recommendations made by the Famine Commissioners, and to consider how far those recommendations had been given effect to during the 20 years that have elapsed since they were published. The first of those recommendations was the greater efficiency of relief, and I think everybody will agree with Babu Joy Gobind Law and others who expressed their opinions in the matter, that the efficiency of the relief in this famine is certainly superior to the efficiency of the relief in any previous one. The measures which the Famine Commission suggested as the result of their inquiries and experience have been for the first time at the disposal of the local Governments. They have been acted upon with intelligence and promptness, and the result has been, as I think I may say with confidence, a measure of completeness in the application of relief such as has never before been attained. It is not possible in any human endeavour that there shall not be imperfections, and I admit freely that there may have been occasions in the conduct of our operations in which the success has not been as great as we hoped it might be. But, taken as a whole, I reaffirm that the efficiency of the relief on this occasion has been equalled on no previous occasion. The efficiency of the relief has been greatly assisted by the railways which have been carried over India. The Honourable Mr. Cadell and the Honourable Mr. Rees both bore testimony to the assistance which has been given, and the quickness with which supplies have been poured into the countries requiring them; that system of communications, that scheme of railways, has without doubt not only

assisted the supply of food to the people, but has greatly lessened the cost of the famine operations themselves. One speaker referred to the famine wage being a mere subsistence allowance. The famine wage was fixed at the instance of the Famine Commission as the result of their experience in operations of the kind. They came to the conclusion that, unless the wage was a subsistence wage only, it would act as a temptation to people to abandon private work of every description and to flock to the Government relief works, and thus it would paralyse private undertakings of every description throughout the affected area. Mr. Cadell spoke of the relief given on this occasion by the suspensions of the Government revenue, as one of the best methods that have been used on this occasion for the mitigation of distress. I should like to take this opportunity of expressing not only my own grateful thanks, but the grateful thanks of every local Government of India, to the Finance Member for the readiness and the generosity with which he responded to every application made to him, whether for direct expenditure upon famine relief, or for his sanction to the suspension of the revenue demands, whenever local Governments thought these suspensions expedient. In these matters there has been a great change from the attitude of the Government 20 years ago. The next recommendation of the Commission concerns the provision of communications and the extension of railways. I have already spoken about the railways. As to canals, Mr. Trevor has mentioned that large sums are being spent every year on every project which is likely to be useful. Experience has taught us in the past that many of these projects are neither remunerative nor do they add materially to the expansion of agriculture and the prosperity of the peasantry. It is proper, therefore, that in the light of this experience Government should be cautious and circumspect in the extension of irrigation projects, until they are satisfied they will answer the purpose for which they are intended. The most radically important of the arrangements which the Famine Commission contemplated is the improvement in the condition of the people. It is perhaps inexpedient that a member of the Government of India should express any very confident opinion on that matter, for he may be said to be not an impartial judge. Measures have, however, been taken from time to time by the Government of India to take stock of their position in this respect, and they believe, rightly, I hope, that the condition of the people is steadily improving. The opinion of Mr. Charlu is an opposite opinion, but I should like to refer him, not to the opinion of Englishmen like Sir Griffith Evans and Mr. Rees, although they are both men of large experience of India, but to the opinion of a distinguished fellow countryman of his own province, Diwan Bahadur Srinivasa Rajhava Aiyangar, whose book I read in Madras the other day with interest. He has written a large book in which he has concentrated all the researches and experience of his life in India, and he has come to the conclusion that the condition of the raiyats in Madras has immensely improved during the last 50 years. I cannot say whether the opinion of this gentleman is right or wrong, but there is the opinion of an Indian who has devoted his attention to the subject. I remember that one of the conclusions he came to was that the raiyat in Madras was now called upon to pay out of his produce exactly two-fifths of what he was expected to pay out of that produce 40 years ago. If that is a just conclusion, there can be no doubt that the comfort and prosperity of the Madras raiyat is now very much greater than it was then. In this connection I jotted down during this discussion some notes from papers which are accessible to all Members of Council. If it is true that the Indian raiyat is more capable now of withstanding famine than he was 40 years ago, I think we ought to get some evidence of that from the expenditure of the famine account. Now, if honourable Members will look at the Famine Commissioners' Report, they will find that the expenditure on the famine in Behar in 1873–74, on precisely the same area which is stricken by famine now, was 6½ crores of rupees. If it is true, as my friend the Maharaja of Durbhanga has said, that the present is the greatest calamity, the most severe disaster, that has befallen India during the current century—if that is true, then we should expect the expenditure on the famine of 1896–97 to be somewhat in proportion. Now, if honourable Members will look at the Budget estimates, they will find that the estimate of the famine expenditure for this vast disaster is less than the expenditure on the single famine in

in the district of Behar in 1873-74. In 1873-74, in those identical districts in Behar which are visited by famine now, the daily average on relief for the period of 10 months was 960,000 souls. At this present moment the famine has lasted several months, and I am grieved to say that there is every prospect of it lasting for several months more; but even at this present moment, when we are, I hope, halfway through the famine, the total number on relief works is not half of what it was throughout those 10 months 20 years ago. I do not assert that this is a conclusive or complete reply upon the question of the condition of the people; no doubt there are other circumstances which affect the result which has been attained in the present year. Nor do I assert for a moment that the people are not poor, or that the Government can in the least relax its efforts to improve their condition and their welfare; but I do venture to believe that this is a corroboration of the information which reaches the Government from many sources, that the condition of the people is better now than it was 25 years ago, and that one of the causes why the expenditure per head of the population this year is so much less than it used to be is that the people themselves are really better fitted to stand famine when it does come. Mr. Playfair made a remark about emigration as a relief to the population. In all these remarks the Government of India heartily concur. They have done all that they can in the past to assist emigration outside India. They have done all that could be suggested in the way of assisting people to migrate from one part of India to another, where food was cheaper and more land was available, and where the means of livelihood were more easily obtained. But in India the system of helping natives of one part of the country to migrate to another has, I regret to say, never been very successful. The remarks that Mr. Playfair and the Maharaja of Durbhanga have made will be communicated to the Chief Commissioner of Assam. I am afraid that some of the experiments in that direction in Assam before have not been very successful. The extreme unhealthiness of the country has deterred people from emigrating and undergoing the privations which are incident to the opening of an unhealthy locality. But there is nobody who from his energy and experience in these matters is more likely to work out a practical scheme for the emigration of the people than the present Chief Commissioner of Assam. Any assistance that the Government of India can give to prepare a scheme of that kind will be most cordially and gladly given. My friend Mr. Bhuskute spoke about the Charitable Relief Fund. I did not quite follow all his remarks at the moment, but I think, if he will look at the Despatch which was written by the Government of India to the Secretary of State, he will not find it stated there that any of those objects which he mentioned lay outside the scope of the system of Government relief. What was said was that the prime work of the Government of India was the preservation of life. The Government of India never said that the help of orphans, the assistance of cultivators, the provision of food for the *pardanashin*, lay outside the scope of their benevolence. But they did say these were the objects to which private charity could best direct itself. Not as long as human nature remains sympathetic will it be possible to prevent private charity coming to the relief of the poor, and what the Government of India did suggest was that these were the directions in which private charity would be most useful. They did say they were unable with their official organisation to get the information which was reached by private committees. There was work, therefore, for private committees to do in that direction, which was valuable for the help of the poor. Now that mention has been made of this famine fund, I should like to take this opportunity of repeating what the Maharaja of Dhurbhanga said, and expressing as far as I can on behalf of the Government of India our admiration of the munificent gifts of the charity and goodwill of England. I feel, with the Maharaja, that out of that charity and goodwill has sprung a new bond of sympathy and good feeling which must unite the people of India and England into a warmer community than has existed for many years, a community of feelings and interests which we all, Indians and English alike, welcome as a fresh departure in warmer and closer accord."

His Honour the Lieutenant Governor said:—"My Lord,—If in spite of the invitations held out to me I say very little to-day, it is not because I have little

to say, but because I recognise the fact, which I insisted upon last year, that there ought to be no distinction of interests between the Supreme and the Local Governments. We are all under the shadow of a common calamity, and this is not the time or place for me to discuss the question whether the burden of that calamity has been equitably adjusted to the shoulders that have severally to bear it. There are no doubt points at issue between the Government of Bengal and the Financial Department as to the local budget for next year and the details of the new provincial contract, but those issues must be settled in an official manner by official correspondence. I will only, therefore, now express the hope that the Government of India will, when the present period of storm and stress has passed over, see its way to reconsidering the precise terms of the present settlement, and will, if it can, restore to Bengal some portion of the contribution which we are now called upon to make to meet the enormous deficit caused by famine. I believe we shall be able to show at the proper time that the way in which the emergency has been met in Bengal will compare favourably—I do not say as regards efficiency, for other provinces may hold their own in that respect, but as regards economy—with the results in any other part of India.

"I must, however, be allowed to throw out one general suggestion with reference to the policy of provincial contracts as at present worked. I do not entirely accept Mr. Sayani's views of these contracts, but there is much force in some of his trenchant criticism. We have, as he has pointed out, the authority of Sir David Barbour, in his evidence before Lord Welby's Commission, for the statement that the present practice is not in accordance with the original intention. He says: 'I must say that, when the provincial system was started, I do not really think it was intended that the provincial government should have a portion of their resources taken away periodically.' 'If you take all the surplus, you to a certain extent remove all the inducements to the provincial governments to economies. It is a weakness: the periodical revision may be necessary under present conditions, but it diminishes the value of the system.' 'Take the Province of Bengal, with a population of between 70 and 80 millions of people: well, that province is big enough to have an independent financial system.' He goes on to explain that owing to financial exigencies the Government of India takes at revision, not only its own share of the increase in the divided revenues, but also a portion of the increase that has accrued to the provincial government. I do not know that I agree with Sir David Barbour when he says he 'would rather see the Central Government embarrassed than the provincial governments starved,' but he is certainly dissatisfied with the existing system. Again, my predecessor, Sir Charles Elliott, speaking with all the authority of the president of the Financial Committee of 1885–86, and an ex-member of the Supreme Council when the Bengal contract of 1892–97 was under consideration, strongly urged a modification of the present system, 'so that the contract should be a continuing one, not subject to sudden ruptures and renewals, but that its leading principle should be that all the revenues of the province should be provincial, the Government of India receiving a certain percentage on the entire sum which should be the contribution of the province to Imperial Government and defence.' He also represented 'the unreasonableness and the hardship of requiring every province to give up a constantly increasing share of its revenues whenever a new contract is framed.' I am not now concerned with defending or advocating Sir Charles Elliott's particular proposals: I take perhaps a stronger view than he did of the claims and responsibilities of the Imperial Government. But I quote him as being with all his unique experience profoundly dissatisfied with the present system. Sir J. Westland will probably tell us, as he told us last year, and has quite recently told me, that provincial governments do not understand the system or its *raison d'être*. My Lord, I think we do understand it—at any rate, we have learnt by suffering what we have to accept as the authoritative interpretation of it. But what I venture to urge is this, that the Government of India should, with the consent of the Secretary of State, refer the whole question to a Conference at which the provincial governments should be adequately represented, and endeavour to lay down the lines of a system which would be satisfactory to the provincial governments while meeting fairly the undoubted exigencies of Imperial finance. No system can be found which, with all its admitted advantages

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of diminishing Imperial interference in petty details, leads to so much quinquennial bickering and heartburning, and involves so much uncertainty and haphazard in Provincial Administration. My Lord, I wish to do nothing to diminish the power or prestige of the Imperial Government. My instincts and experience are all in favour of a strong central administration. But I do not think that the present system is favourable to strong administration. It places the Imperial Government in what seems to me a false position—a position of apparent antagonism to its own local agents. In framing it and working it, successive Finance Ministers and Secretaries of State have simply dictated their own views, without giving local governments an opportunity of being heard, except as to details after principles had been laid down authoritatively, I had almost said despotically. I should wish to see your Excellency's government initiating a change in this respect. The local governments want to have their say as regards principles also. It would, I feel certain, strengthen, and not weaken, the Imperial position. Again, if the policy of the present day is to be one of decentralisation in legislation and finance, let us for any sake devise a workable scheme. As matters stand, the provincial government is bound to justify to its local council and the local public financial measures which it is only allowed to criticise within hard-and-fast limits laid down by the Financial Department of the Government of India. Speaking for myself, I am ready to give loyal effect to all the orders and policy of the Supreme Government. If I found I could not conscientiously do this, the remedy is easy, and in my own hands. But it would be better for both of us, and I speak for all local governments, were our financial relations regulated as much as possible by automatic self-acting principles, save when some serious calamity like widespread famine or national exigency like a great war comes to sweep away all ordinary rules, and rally, as they would do, all the local governments to the side of the Supreme Government in simple and self-sacrificing unity. That is, my Lord, the present position, and I refrain from any criticism of the honourable Member's Budget. I cannot, indeed, admit that the contract arrangements of the next five years ought to be dominated by the fact of famine in their first year. Here, however, I find myself tempted outside the lines which I laid down for my own guidance in this debate, and I will say no more. I will only, therefore, urge again that the time has come for examining here in India, and not by commissions of non-experts sitting at home, the whole question of the financial relations of the Provincial to the Supreme Government; and I am sure that, if in making this examination your Excellency would only take the local governments into co-operation and confidence, a happy issue would result both for them and your Excellency's Government.

"I have now, before I close, to say a very few words with regard to the speech made by the Honourable Mr. James. The honourable Member has arrogated to himself the rôle of enlivening the sombre and dreary course of the discussions in this Council by a series of light and playful pleasantries. I was at first, therefore, somewhat doubtful as to whether I was to take seriously the attack he made upon the province I have the honour to represent; but as he went on it appeared to me that he really did mean it, and then I could only account for the attack by recognising the fact that we had among us a smiling Rip Van Winkle, come from the sands of Sind, who was absolutely ignorant of the whole course of Administration in the recent history of Bengal, and who had not taken the trouble to get up the case which he was so ready enough to start. He made an attack indirectly upon the Permanent Settlement. I need scarcely say that no responsible Government would ever dream of making any attack upon the Permanent Settlement of Bengal. The idea that the Permanent Settlement can be touched is an old exploded fallacy, which I believe no Government in India, until we have come to be ruled by Socialists from Whitechapel, would ever dream of putting forward. But it is said that, because Bengal has benefited so much by the Permanent Settlement, it is right, proper, and fair to the other Provinces of India, that it should be severely taxed, and the honourable gentleman told us that we ought to levy local rates and local taxes. As his Highness the Maharaja of Durbhanga has already pointed out, the slightest acquaintance with the Bengal Statute Book would have revealed to him the fact that Bengal does now levy an enormous amount in local taxes, no less than 87 lakhs of rupees being realised by provincial and local rates

in Bengal. The honourable Member made various suggestions as to local taxation."

The Honourable Mr. JAMES :—" A Police rate—Provincial taxation, not local taxation."

His Honour the LIEUTENANT GOVERNOR :—" He certainly suggested that we ought to impose local rates. If provincial is used in a limited sense, I may say that half of the sum I have mentioned is provincial taxation, and is devoted as at present to works in Bengal. The honourable Member described an imaginary conversation of his with a Collector, who pointed to a road, and said he had got half a lakh of rupees from Government for that road. Well, if he got half a lakh for that road, he got it from provincial cesses, for the Government of Bengal has no funds of its own to spend for such purposes, except such funds as it receives from these cesses. Then as regards the question as to whether the Bengal Government pays its fair share of taxation as it stands. I think the faintest study of the Yellow Book would convince the honourable Member, if he chose to refer to it, that this province pays far more than any other province in India, and, if it is able to do so, I maintain that arises largely from the settled condition of its land tenure. What has to be recognised is that since the Permanent Settlement the lands and landed interests have become largely sub-divided. Infinite varieties of tenures have been created, and sold and re-sold for value. The landed interest in Bengal is not represented merely by a few rich landholders, as Mr. James seemed to assume. We have some rich landholders, and I am happy to say that the rich landholders do more than their duty by their estates, but we have an enormous landed interest in Bengal contributing to provincial and local taxation of various kinds. I will not detain the Council longer. I will only say the Province of Bengal is quite open to examination in regard to its finances, and in regard to the position which it occupies with reference to its contributions to the funds of the Imperial Government."

The Honourable Sir JAMES WESTLAND said :—" My Lord,—I shall have to address myself perhaps at some length to the observations regarding the system of Provincial Contracts which have been made by the Honourable Mr. Sayani and by his Honour the Lieutenant Governor of Bengal; but, before doing so, I desire to point out to the Council how entirely justified I was in the opening remarks which I made, in pointing out that the Finance Minister was on these occasions subjected to continual demands for money, and that he got no assistance whatever in finding a way to obtaining that money. I find the Honourable Mr. Stevens and the Honourable Mr. Sayani, both of them, pressing me with the view of getting additional assignments to their respective provinces. His Honour the Lieutenant Governor has also made exactly the same demand. The Honourable Mr. Stevens has pointed out the desirability of our engaging in sanitary and other improvements, and the Honourable Mr. Bhuskute has also pointed out that it is desirable that at the cost of the revenues of India money should be furnished for the re-establishment of the peasants who have been left in dire distress in consequence of the famine. For all these purposes it will be seen that money is sought for from the Finance Minister, but, with the exception of certain proposals from the Honourable Mr. James, not a single indication has been made as to where the Finance Minister is to find the money. There is always a theory that by setting some mechanical operation in motion the rupees will be produced, and that is the notion against which I warned the Council before the debate began, but which apparently has guided the honourable Members in some part of the recommendations which are made to me. It is quite true that one suggestion has been made with regard to the revenue, namely, that we should extend the system of the Permanent Settlement in Bengal to the other Provinces of India. This suggestion was made by the Honourable Mr. Sayani, in almost the same breath in which he pointed out the desirability of securing all sorts of beneficial progress to the Provinces and to all Provincial Departments. Surely it is impossible for any Finance Minister to carry on the Government of a country with perpetual demands for progress in all expenditure, if he has to settle his principal source of revenue in a permanent fashion, so that no further income can be got from it.

" I shall

"I shall come back to the question of Provincial Contracts and the relations between the Provincial Governments and the Supreme Government, but I wish first of all to make some remarks upon the observations which the Honourable Mr. Charlu has offered with reference to the Famine Fund. I should have thought that the current year, in which we are spending an unlimited quantity of money upon the very objects for which this Famine Fund was set aside, gave sufficient proof of the wisdom of the policy on which that Famine Fund was based. I should have thought that this was the last year which any adverse critic of the Famine Insurance policy would select for criticism, because it is the year in which, as it were, we have finished the prescribed cycle of events, the year in which all the preparations which had been made according to the policy of Famine Insurance were coming to maturity, and in which we were now to prove whether the Famine Fund really had met its objects or not. I am not going to bandy quotations with the honourable Member regarding the original intention of the pledges which have been given by the Government on the subject. I am very glad to see one thing, however, and that is that he admits in his speech that the words of Sir John Strachey at least do not support the extreme view which he takes in this matter. Sir John Strachey was even more the author of Famine Insurance than Lord Lytton was; and, if he finds that Sir John Strachey's ideas regarding the administration of the Famine Fund do not altogether agree with his own, I should think the first suspicion that ought to cross his mind is that it is he, and not Sir John Strachey, that is wrong. But I suppose he will admit that Lord Lytton himself is an authority on the subject, and that Lord Lytton himself can state exactly what it was that he meant, and I would take this opportunity of quoting a short explanation which Lord Lytton gave, and which bears upon this very subject. He said, in discussing one of the Financial Statements: 'As regards the alleged diversion of our Famine surplus from the purpose for which it was raised, I think that my Financial Colleague has sufficiently shown that there has been no such diversion of it. The Government of India, when defining that purpose, distinctly repudiated any intention of regarding or treating the proceeds of famine taxation as a separate fund, or a branch of the revenue in any wise differing, as regards the financial conditions of it, from the funds required for the administration of justice, the maintenance of military establishments, the provision of public education, or any other recognised permanent claims upon the revenues of the State.'

"So that Lord Lytton's opinion also regarding the proceedings which had been taken at that time is not in conformity with the Honourable Mr. Charlu's views as to the way in which our Famine Insurance Fund ought to be managed. I should think also that the Famine Commission might be reasonably quoted as an authority on this subject. They delivered their Report on the 7th July 1880, so that it can hardly be said that their views on any subject were based on any intention of justifying the misconduct of the numerous Governments which have succeeded Lord Lytton's. Their statement is: 'To this end arrangements were made to secure a surplus of one and a-half millions of income over ordinary expenditure, in addition to the annual surplus of half-a-million, otherwise regarded as proper. It was determined that this surplus should not take the form of a fund specially allocated to meet the cost of famine relief, because such an arrangement would be financially inconvenient and objectionable. The intention was simply that a source of revenue should be provided which would enable the Government to carry out the principle on which it had for some years insisted—that the relief of famine distress must be regarded as a charge constantly liable to recur, which must be met like all other obligatory items of State expenditure.' When the honourable Member, therefore, says that the Famine Insurance policy cannot be carried out without setting aside separately from the general revenue accounts in some separate form or other a distinct body of money, he is evidently basing his opinion not on the authority of statements made by the founders of the fund, and by the Famine Commission, at the time of its institution, but upon some pre-conceived notions of his own which he has read into the statements then made.

"His Honour the Lieutenant Governor has been referring to a certain tax which was imposed in Bengal for the provision of roads, communications, and other local expenditure. Now it is very curious that this particular cess is one

of the items, and, in fact, the principal item, in what was called the famine taxation.' It will be found quoted in the Financial Statement of 1879-80, where Sir John Strachey, enumerating the taxes which had been imposed on account of famine, began the list by putting down the Bengal Public Works cess, at that time 33 odd lacs. This cess was by law applied to the construction of roads and to various other local requirements, and. if that cess was imposed as 'famine taxation,' and was declared to be applicable to roads, &c., and has been so applied ever since, I ask the Honourable Mr. Charlu how, according to his plan, it can possibly be the case that, when a particular tax was declared to be part of the famine insurance taxation, the sum so collected became, *ipso facto*, the fund which was instituted. It must be obvious, if in the policy of the Famine Insurance it is laid down that a tax shall be levied upon lands in Bengal, and that it shall be applied to communications, roads, and other local objects, and that the levy and expenditure of this tax is nevertheless part of a Famine Insurance Fund or Grant (I do not care by what name it is called), surely it is perfectly obvious that in that policy there was no intention to bottle up a famine grant in any particular shape, or to put it into any particular receptacle into which, when the famine came upon us, we should be able to dip our hands, and find the money ready for use. The honourable Member goes on to tell us that it is perfectly obvious and imperative that a fund such as was created by Lord Lytton's Government must be re-established, and then he goes on to tell us: 'It is useless in this connexion to point out, as I once did, that, if all that was suggested at the time had been done since the last great famine, there ought to have been seven crores, either in the shape of paying and fertilising irrigation works, or as a credit to the fund, entitled to be now called out over and above what has been spent under that head.' I ask, is that not exactly the position in which we are at present. Have we not got seven crores? Honourable Members will see the exact figures given in my statement. The exact figure comes to a little over seven crores, but we have got that money exactly in the position the Honourable Mr. Charlu says it ought to be, namely, either in the shape of fertilising irrigation works or as a credit to the fund. It seems to me, therefore, that, according to the views which are taken by the honourable Member, although we may not have followed, and in my belief ought not to have followed, the method which he lays down, still we have attained precisely the result which his method would have reached, and the attainment of that result is the best proof that the Famine Insurance policy of the Government is that policy which ought to command his assent.

"I am not going back over the old ground. Honourable Members for the most part know, as well as I do, that Sir John Strachey and the founders of the Famine Insurance Fund looked forward to the time when we should not be able to meet our current expenditure out of our current revenues, because our expenditure would be dreadfully enhanced by the necessary provision for famine relief, and our revenue would be very much curtailed by the same cause. We have reached that stage now, and, under ordinary circumstances, if a Finance Minister were to present a Budget which declared that in the current year there was a deficit of two millions, and that in the next year he expected a deficit of $2\frac{1}{2}$ millions, he would be bound at the same time to state in what manner he intended to provide for that deficit. In any sound financial system it would not be possible to pass over that deficit, without pointing out in what manner it was proposed to meet it. But the whole object of the Famine Insurance Fund is to provide beforehand for this very deficit, and, as pointed out in my statement, we regard and accept this deficit now as a set-off against previous surpluses brought about by reason of the Famine Insurance policy; and we therefore meet the deficits of these two years by simply putting them down in our accounts, and we nevertheless claim every credit before the world for a sound financial position.

"Now, my Lord, to go on with this vexed question of the provincial settlements. The Honourable Mr. Sayani, if I correctly followed him, stated that the arrangements of the Government of India were made upon the theory that the revenues were not the revenues of the separate provinces, and were not appropriable to the expenditure of several provinces, but were the revenues of a common fund, the local Governments being merely the agents of the Government of India for their realisation. I think he mentioned the theory in some

some words like these, only for the purpose of condemning it. Well, I wish to assert that theory in the most positive manner I can. The revenues of India are the revenues of the Government of India—its constitutional possession. The Government of India is a body created by Act of Parliament, and if reference is made to that Act of Parliament it will be seen that the revenues of India are the revenues of the Government of India, and of that Government alone. Every action that the local Government takes in respect of them must be justified by a specific order of the Government of India; the Local Governments derive their powers entirely from the Government of India, and apart from that Government they exercise no financial powers whatever. Now I may go on to expand a little, and show what the real meaning of this claim is. I may begin by taking an illustration. I will imagine that the residents of Calcutta come to His Honour the Lieutenant-Governor of Bengal with a remonstrance regarding the application of the revenues which are levied in Calcutta itself. The stamp revenue in Calcutta, the excise revenue in Calcutta, the assessed taxes levied in Calcutta, all amount to a very large sum. The inhabitants of Calcutta, I will imagine, make a representation to the Lieutenant-Governor that it is unjust that these revenues levied in Calcutta, and paid by the residents in Calcutta, are distributed over the expenditure in other places. His Honour the Lieutenant-Governor would justly point out that this claim was based on a false foundation. He would point out that the wealth of Calcutta was entirely derived from its being the commercial centre of a large tract of country; he would point out that the administration of this tract of country was in the hands of the same body (whether you talk of the English Government or of the Government of India or of the Government of Bengal) which administered Calcutta. He would point out that, if the districts behind Calcutta were in the hands of another power, if they were not organised, if they were left either to anarchy or possession of a foreign power, Calcutta would never be what it is—it would not be a centre of the wealth and commerce of the great Province of Bengal. He would point out further that in taxing the people of Calcutta he was only taxing the general wealth of the Province of Bengal. Its commerce all tends to this centre. Many wealthy landlords who derive their revenues from the lands in Bengal come to Calcutta and spend it here. Calcutta is a city which is inevitably linked with the districts of Bengal, and cannot be separated from them, and would not exist without them. He would further say it was out of the question that different principles should apply to the taxation and administration of Calcutta and of the districts of Bengal, and he would say that for financial purposes they must be taken as one single fiscal body, and that the tax levied in one place must be considered appropriable to the expenditure all over the provincial administration.

"But now I go further and ask why this principle should stop at the confines of Bengal. The division between Bengal and the North-Western Provinces is merely a geographical line. There is no division as regards the distribution of wealth or trade. There is no division as regards the fact that all this country, whether the North-Western Provinces or Bengal, supplies the commerce of Calcutta. Calcutta derives its commerce and its wealth from the whole of the North-Western Provinces, and even from the Punjab, as well as from Bengal. The same argument, therefore, which justifies His Honour the Lieutenant-Governor in using the taxation which is levied in Calcutta as part of the general funds usable for the general purposes of his administration, carries us further and shows that the appropriation of this taxation cannot be confined within those boundaries, but the amount must be, in part at least, equally appropriable even further north. Bengal is a wealthy country which has many large cities, but its wealth is derived from the fact that it lies in such a position that the wealth and trade of other provinces drain through it. The revenues of Bengal, therefore, cannot be justly claimed by the people of Bengal as entirely appropriable to their own purposes, but must be considered at least with reference to the claims upon them arising out of the administration of the provinces further away. I am taking Bengal only as an illustration, but exactly the same arguments apply to the revenues of Madras and Bombay. They are all territories which derive their wealth from the fact that they lie between a

hinterland and the sea, and that through them the wealth of that hinterland passes to the sea-board.

"I take another illustration to show that the revenues of these provinces cannot be claimed as appropriable only to expenditure within their geographical limits. Supposing Bengal existed, as at one time it did exist, as a separate province; that the North-Western Provinces were in the hands of a foreign power which owed no allegiance to the British Crown. What would be its necessities? It would have for one thing to maintain a very large army. In the case of Bombay, if you go a century back, you find that it was surrounded by great and warlike Chiefs of Rajputana and Central India, and by a powerful Mahomedan Chief, the Nizam; the Mahratta powers were continually on its frontiers; and Bombay had to maintain its integrity by possessing a large military force. The same may be said of Madras. Mysore at one time was a foreign territory, and Madras had to protect itself by a military force against Mysore, and also against the Government of the Nizam. The British power has advanced since these days. It now covers the whole of the interior country, and the consequence is that Bombay, Madras, and Bengal, have no longer to maintain within their borders the military forces which under a different system they would have to maintain. The number of soldiers in Bengal is very small, but the reason is that the army, which under other circumstances we would have to maintain in Bengal, has passed forward into the districts of the North-Western Provinces, and is now scattered over those districts and also over the Punjab. The warlike populations, which under other circumstances would swoop down upon Bengal, and against which Bengal would have to protect itself, are now themselves peaceful subjects of the British Throne, and are held from a military point of view by the soldiers which are located within their territories. Similarly, in the case of Bombay, we have now moved its troops forward. They are stationed in Mhow, they are stationed up the valley of the Nerbudda, they are stationed within the Nizam's territory at Hyderabad. But those military forces would have to be located in the military districts of Bombay, if circumstances had not changed, so as to enable us to carry them forward into other lands. Now, can it be legitimately claimed in any way that the revenues, on the one side of Bengal or on the other side of Bombay, are not legitimately appropriable to the maintenance of these forces. Every province in India gains enormously by the fact that the other provinces in India are held under the same dominion as itself. It might be possible to imagine a state of things where Bengal was possessed by the English, the North-Western Provinces by Russia, and Bombay by some other power. Under these circumstances, what would happen? Would not each of these provinces be burdened by an enormous military expenditure from which at present it is entirely free. So that every province benefits by the fact of the other provinces being grouped and combined with it under the single tenure of the British Power. If that is the case, you see there again the argument which prevents any one of those provinces from claiming any exclusive right to the benefit of the revenues raised within its geographical area, and justifies the Government of India in looking upon the whole of those revenues as contributed to one common fund, which is to be administered not for the benefit of the particular province but for the common purposes of the Empire.

"I need not go on to talk of the other mutual relations between the provinces. Railways now run joining one province to another and linking them into one common system. You have the charges of the central administration in this country and the charges which are administered by the Secretary of State. You have the payment of interest on debt. In all of these each province has its share. On all these grounds you find that it is absolutely impossible—even if you were to attempt to sit down and work out the problem—to assign any particular revenues as properly appropriable to the expenditure in any one province.

"Still less is it possible to consider them as assigned to the comparatively small portion of the expenditure which is called provincial, and here there is one great mistake made by many members. The importance of provincial expenditure naturally bulks very largely in the eyes of civilians. They see round them what is being spent upon civil administration, and they see in every direction

direction the many requirements that have to be met in civil administration, and in all those matters in respect of which financial powers are given to the Local Governments. It is not unnatural for them under these circumstances to regard the administration of the Provinces as the main purpose of the revenues of the Government of India. But really this is not the case. If you look at the accounts, you will find that there is no justification for looking at the Provincial Governments as having to provide for such a large proportion of the expenditure. I pointed out this last year, but I would ask the attention of Honourable Members to the Yellow Book which I laid upon the table a week ago. If you look at the accounts there, on page 13, where the whole of the expenditure of India, in India not in England, is distributed between Imperial, Provincial, and Local, you will find that the expenditure on Imperial account amounts to 44½ crores, and the expenditure on Provincial account amounts to only 20 crores—less than half the Imperial. So that, even as regards the distribution of expenditure between Imperial and Provincial, the Provincial only bears a very small share. This also shows you how impossible it is to base any theory of financial administration upon a system of the appropriation of the revenues of each Province to that Province and to no other Province.

"Every Honourable Member will admit, I fancy, the entire truth of the theory which I have been urging—the theory which regards all revenues as revenues of a single Empire—so far as concerns the circumstances which existed before the Provincial service scheme was initiated. Before 1870 every expenditure, wherever it was incurred, was expenditure of the Government of India. Now I would ask, what is there in this Provincial scheme which leads Honourable Members to suppose that it ever was the intention of the Government of India to give up any portion of its revenues? That was in no degree the purpose of the scheme, taking it either in its initial form in 1870, or in its subsequent form in 1877. It was merely lopping off a certain portion of the common revenue and placing that portion of revenue in the hands of the Provincial Government, as agents of the Government of India, under certain definite conditions and terms, and telling it, "You have the charge of all this expenditure, and we give you so much of our revenues in order to meet it." You will not find in any of the documents relating to the institution of the Provincial service scheme any foundation whatever for the theory that the Government of India at any time parted with its dominion over its own revenues, or intended to apply any new system of administration to them. In the same way as before 1870, or before 1877, it was free to apply revenues derived from any part of the Empire to the expenditure in any other part; in that same way it remained free, and has remained perfectly free up to the present time. And so, when the Honourable Mr. Sayani tells me that the Government of India is always coming down on the Provincial Governments, and asking them for more and more, and when his Honour the Lieutenant-Governor begins to talk of my demanding money from him in this last Provincial Settlement—a contribution from his revenues—I deny the position altogether. I admit that the Government of India five years ago assigned certain revenues to the Government of Bombay, to the Government of Bengal, and to other Governments, but that assignment was made for five years only. It was distinctly limited to that term. At the end of the five years the Government of India re-enters absolutely into the rights it previously possessed, and then, if the Provincial Government is to continue to exercise any financial powers, a new Provincial Settlement has to be made.

"Now, upon the question of periodical revisions, I wish to point out that, if it were possible to regard the assigned revenue and the assigned expenditure of any Provincial Contract as both of them absolutely stationary, it is obvious that a contract made in 1877 upon the basis of the stated amounts of expenditure and of revenue, is a contract which could subsist for all time. But both revenue and expenditure are progressive, and I am thankful to say that, at present, at any rate, apart from the calamities of the present season, revenue is more expansive than expenditure. Now, upon an increasing revenue there are these claims: In the first place there is the claim of the taxpayer. The taxpayer has a right to demand that we shall not spend the whole of our taxes if we can carry on the administration with a smaller amount. He has a right to say that we should be as economical as possible, and that we should

not consider ourselves justified in perpetually levying from him the same rate (and an increasing amount) of taxation, if by any means we can secure a reduction of it. That, therefore, is the first claim upon an increasing revenue —the claim of the taxpayer. The second claim—and I deliberately put it in the second position—is the claim of an increasing expenditure. In a country like India, progressive in all Provinces, more in some and less in others, there are continually new requirements which have to be met. I admit that the increase of revenues ought in some measure to be diverted to meet these requirements; but it is obvious that, if we admit an increase of expenditure equal to the increase of revenue, we shall never have anything whatever wherewith to satisfy the first and primary claim, which I regard as that of the taxpayer. What we actually do when we take a Provincial Contract is, that we divide the revenue for a time between the Imperial Government on the one side and the Provincial Government on the other. As a whole, the revenue, Imperial and Provincial, is about equal to the expenditure, Imperial and Provincial. Altogether the total revenue does not exceed the expenditure more than 2 or 3 per cent. of the amount. While we hand over to the Provincial Government a share of that revenue equal to its expenditure, we keep for ourselves on Imperial account a share of the revenue which is equal to our share of the expenditure. Now, taking both of these together, as I pointed out, we would be in a very unsound financial position if we used the whole of the increased revenue in meeting increases of expenditure. The obligation lies upon the Provincial as well as upon the Imperial Government to limit its expenditure in such fashion that it shall have some revenue to give up—some revenue which can be utilised, if possible, for the remission of taxation. It is this necessity—an absolute necessity of a sound financial system—which gives rise to these periodical revisions of the Provincial Contracts. It is not consistent with sound finance that we should find ourselves at the end of five years in such a position that the Provincial Government has got to retain the whole of the revenues that were assigned it five years before, because it is obvious that, if that were the case, there would be nothing remaining, so far as the Provincial share of the revenues is concerned, to satisfy what I have called the claim of the taxpayer. Now in what possible way are you to make a contract of a permanent character which will meet this claim of the taxpayer? There are two ways in which you can do so. In the first place, you can follow the plan which we at present adopt, that is to say, we make over the revenues definitely for five years; we make a comparison of revenue and expenditure when we come to the end of the five years, and, if we find it possible, we call upon the Provincial Government to give up part of its revenues, that is to say, part of the increase of the revenue which has taken place during the five years. There is another way in which it can be done, and that is that, instead of giving the Local Government the whole of the increase of its share of revenue, we can say it is only to get half or some other proportion, and the remaining half is to be resumed to the general account in order that, if possible, it may be utilised for the remission of taxation.

"His Honour the Lieutenant-Governor has quoted from Sir David Barbour an opinion which Sir David Barbour gave before the Commission now sitting in London, that this intention of periodical revision was not present to the minds of the original authors of the Provincial system. I am afraid that Sir David Barbour at that moment had forgotten his facts. I shall read a sentence which is taken from the Financial Statement of 1877–78, the very Financial Statement which developed the system of assignments of revenue. In fact, Sir John Strachey in this statement is talking of the new provisions for the assignment of specific revenues in place of an assignment fixed in amount. What he says is:—

'The most important of the revenues transferred are Excise, Stamps, and the hitherto reserved revenues under Law and Justice; the net revenue assigned under these heads is 640,600*l*., and the transfer has been made subject to certain conditions. These sources of revenue have gone on pretty steadily increasing throughout India; and it is not proposed to surrender to the Local Governments any part of that normal growth of income which might have been expected to continue if no change of system had been made. On the other hand, while we desire that the Local Governments shall share largely in any

any increase of revenue to which their own improved administration may lead, it is evidently reasonable and necessary that the Imperial revenues should share in this increase also.'

"This, as I say, is the declaration made at the time of the assignment of revenues. It is obvious, therefore, that the provision for the revision of the contract, in the sense of withdrawing from the Provincial Governments part of the revenues they enjoyed, was an essential part of the original revenue-assignments system.

"I ought to have mentioned, when I was talking of the two measures which may be adopted for resumption of part of the increase of Provincial revenue, that it is more advantageous for the Local Government that it should get a full share of this increase of revenue for five years, and then have the excess taken from it, than that the excess should be taken from it every year, as would necessarily be the case if it were allowed only a portion of its share of increase and not the whole. So that, of the two possible systems, that system which has been adopted is the most favourable one to the Provincial Governments. But there is another reason why the system of revision is necessary, and that is that the settlement of a permanent contract involves a dip into futurity which our financial experience at least shows us we are entirely unwarranted in making. I regret to say that there is nothing more uncertain in many respects than Indian finance. Last year we were swimming with our heads far above water, looking forward to a time when part of the taxes which have of late years been imposed might be considered as capable of remission. Before we had gone very far we saw that the calamity of a famine was upon us, and at the end of this financial year we proclaim deficits of large extent. Is that not a lesson that one ought not to prophesy too securely about Indian finance, or make arrangements which involve an assumption of permanency in the relations between revenue and expenditure?

"There is one thing to be borne in mind in respect to these revisions, in respect to any contract of the kind, and it is this, that the Government of India is responsible for everything that is done in the matter of expenditure and revenue all over India. That is a responsibility of which it can never wash its hands. It can never say to a Provincial Government, 'I have handed over to you certain revenues, and I am very sorry you have gone beyond them, but you must get out of the difficulty as you best can.' We cannot remain in that position and stand aside. We are as much responsible for a deficit in the Provincial accounts as we are for preventing a permanent deficit in our own account. It is, therefore, obvious that, if we make a permanent contract with a Provincial Government, that contract must be an entirely one-sided one. It is a contract that must be based on these terms: that, if everything is successful, and if the Local Government finds its revenues sufficient for its increase of expenditure, then the contract would remain good. But, if the Local Government through any calamity loses its revenues, or finds an excess of expenditure over revenue which is perfectly unavoidable, then the Government of India would have to come forward to help it. The contract can be permanent only in the cases in which its permanency favours the Local Government. It is rather assumed in all these discussions that a revision of contracts must necessarily be a revision in favour of the Imperial Government. Now I would draw attention to the fact that in the current revision, at any rate, the revisions have not been all in favour of the Imperial Government. We have found, as a matter of fact, that, through certain circumstances which I need not here explain, certain provinces, namely, the Punjab, the North Western Provinces, and the Central Provinces, are all in such a position that they cannot be expected to get on without increase to their previous assignments of revenue. The revision of revenue in these cases has to be made to the detriment of the Imperial revenue. It may be said that we might have left those Governments to flounder in their deficit. But we cannot divest ourselves of responsibility, both financial and other, for their administration, and, moreover, we are their bankers; they cannot provide funds out of their present assignment to meet what we consider their necessary expenditure, and it is perfectly impossible for us to leave them in that condition. We have satisfied ourselves that this deficit of Provincial resources cannot be met otherwise than by adding to the Provincial revenue, and we have therefore in

those three cases come forward to add to the assignments given them in 1892, and to establish them again on a sound footing, running from 1897. It is very natural that his Honour the Lieutenant Governor, and the other Governments which find themselves in prosperous circumstances, should decry this system of revision, and say that it is extremely desirable that revisions should not take place and that they should be left exactly in the position in which they are at present. But, if a vote were now taken among the Local Governments, I can give the names of three who would give an opinion directly contrary to the opinion expressed by his Honour the Lieutenant Governor. It is very curious, but I was reading a short time ago the record of certain deliberations which took place in 1892 among the members of the Government of India on this very question of prolonging the terms of the settlement. Sir David Barbour at that time was Finance Minister. He pronounced it to be impossible, as it most certainly is, but one of the members who pronounced very strongly in favour of prolongation and declared that the term of the contracts should be made longer, was Sir Charles Crosthwaite, who afterwards became the Lieutenant Governor of the North Western Provinces. If he were now asked for his opinion, he would say, I am afraid, that Sir David Barbour was perfectly correct, and would admit that the system of revision was necessarily a part of the provincial contract.

"There is another theory to which utterance has been given to-day in the speech of the Honourable Mr. Sayani—a speech, I admit, which was very pregnant in suggestion, and which it will be useful for us to read at leisure—he made a suggestion that it was wrong that two-thirds of the revenue should remain Imperial and that one-third only should remain Provincial. I watched to see whether he would give any reason for this opinion; there was none; he simply said there were certain objects of expenditure which were very desirable under Provincial Governments, and if they had more than one-third of the revenue they would meet that expenditure. I have not the smallest doubt of it. I do not wish to hint that Local Governments make bad use of their money; on the contrary, I am quite sure they would make excellent use of more money if they had it. But, taking the figures of 1895–96, the total amount of expenditure for which revenue has to be provided comes to 44 crores of rupees of Imperial expenditure, and 20 crores of Provincial expenditure. Well, we have for that purpose, as I have pointed out, a nearly equal amount of revenue, namely, 64 crores, to distribute. At present we give 20 crores to meet Provincial wants, and we keep 44 crores to ourselves to meet Imperial expenditure. Now, if we are going to start on some abstract principle that the Provincial Governments ought to have some theoretical proportion of this revenue, and that that theoretical proportion is something more than 20 crores, that we ought, on a sort of a general consideration of comparative necessity of Provincial heads of expenditure and Imperial heads of expenditure, to give to the former more than 20 crores, then, I ask, how are we to provide for our own 44 crores? We have only 64 crores altogether. If we give 21, and thus enhance the Provincial share of revenue by one crore, or 5 per cent., we reduce our own available revenues to 43 crores. How, with that 43 crores of revenue, we are to meet 44 crores of expenditure, I confess I do not know. Of course it would result in our imposing some new tax in order to find the missing crore. And that, as I said in my first speech, is what I desire to bring home to honourable members; that is, there is no use in our talking of providing for increases of expenditure of any kind without considering where we are to find the money for it; that, if expenditure is increased, it means that we have either to put a direct burden upon the taxpayer, or, at least, postpone a remission of taxes which would be otherwise possible.

"The Lieutenant Governor has alluded to another matter, which I cannot help thinking a very serious one, namely, the consequences of the Provincial Governments having, like the Government of India, expanded their Councils. These Councils take, and are justified in taking, and it is their business to take, a very deep interest in the finances of their Provinces. They naturally see the requirements of the Provinces, and they naturally bring those requirements sharply and continually before the local administrations. The financial questions do not now lie between the Government of India and the head of the local Province. They are now questions between the Government of India and a local

a local Governor subjected to all the urgencies of his Local Council. There is one difficulty in this position at present, a difficulty which will have to be met when we examine the question which his Honour has pressed upon us, a question to which I may say I have given no small amount of consideration. The difficulty I allude to arises from the fact that, under the present constitution of Provincial Finance, the Local Governments do not have to find funds by exercising their powers of taxation. A local Governor is not in a position to say to his Council regarding a great part of the expenditure pressed upon him, that, 'if you want this expenditure, you must be content to bear the necessary new taxation.' At present the expenditure is pressed upon him always in the shape of requesting him to get a new assignment from the Government of India. The burden, therefore, of supplying the money under present circumstances falls upon the Government of India. It is here that the difficulty arises, because each Province has to weigh its demands for expenditure, not against the burdens which it itself would have to bear, but against the possibility of throwing burdens upon the whole of India. Now, in touching upon the subject, I wish it to be understood that I do not speak for my colleagues. I have stated that I have given some consideration to the question of an alteration, in some respects, of the Provincial system, because I feel with his Honour the Lieutenant Governor that the present system is one which cannot last. The Government of India cannot be placed in the position of having to bear all the expenses and all the odium of having to impose new taxes; but, at the same time, if the expenditure, which is pressed upon us by the various Local Governments, is to be met, it is a question of new taxation and of nothing else. The idea which has struck me as a possible issue out of this, an idea regarding which I have conversed with various high officers and also with his Honour the Lieutenant Governor, is that we should separate the Provincial Revenue and Expenditure into two classes, one being the general account, and the other the local account, in every province. There is at present local taxation levied for local purposes, but there is no definition as between the appropriation of Provincial Revenue and the appropriation of local revenue to these purposes. Local Boards bear only a portion of the expenditure for medical purposes, for educational purposes, for roads, and various other things, and this is the class of expenditure in which Local Councils are naturally most urgent. It includes a class of expenditure which, as my honourable friend Mr. Stevens mentioned, is extremely urgent in Bengal, namely, that of sanitary improvement. But, as matters are at present arranged, the local taxation is nowhere equal to meet the whole of this expenditure, and the consequence is that the Provincial Government has to meet a great deal of it itself. The result is that, when pressure is put upon the Local Government to find funds for this class of expenditure, it is in the form of demanding further funds out of the general revenues for meeting the expenditure and not of proposing any increase of local boards. Now it strikes me that it would be well to separate off the whole of this class of expenditure, whether it is met out of local taxation, or whether it is, as at present, largely met out of the general revenues, into a separate account, and, in respect to that separate account, to make a permanent assignment from general revenues to the Local Government. There would be no revision wanted in a contract of that kind. If, for example, we found that we could separate off the whole of that expenditure as it stands in Bengal, we would say that for this expenditure a certain definite sum fixed once for all would be given out of general revenues, in addition to local taxation to cover the whole amount; then we might make that portion of the account an absolutely separate one. We would treat it as a separate branch of finance under the Local Government and under the Local Councils. The result would be that the Local Councils, when they pressed, as they are continually pressing (and I do not in the least degree wish to indicate that their action in pressing is unreasonable on their part), but when they press for expenditure of that kind, they would also know that they would have to find the means for it by some sort of local taxation. That is the theory of financial control and responsibility; the whole theory is that those who press for expenditure should know that they will have to bear the burden of it. If, for example, we were to hand over the cesses and taxes as revenues for local purposes, we would be placing in the hands of Local Councils a power of getting more revenue if they thought it worth while. There is a system of finance of

this kind which I took the opportunity of studying in Belgium some years since. There is there not only a central financial body, but a provincial body, whose functions are defined exactly in this way; that is to say, certain classes of expenditure are made over, and are to be provided for by those provincial bodies, and the Government makes them a definite and final assignment for the purpose. The assignment in Belgium is part of the assessed taxes and the local taxes besides. The result is that these provincial bodies, if they want to extend the class of expenditure in their charge, have to do it by finding local taxes, or by adding to the assessed taxes. The assessed tax in Belgium is not equal in every province. Of the total amount part is an assessment common to all Belgium, which goes to the central Government, part is an assessment varying with each province. and going to the Provincial Councils. The honourable Mr. James will also be glad to hear that one of the sources of revenue of the Provincial Councils of Belgium is a dog tax.

"These are the general lines in which it seems to me a solution of many difficulties will be found. We will have to continue the present system so far as it relates to the general functions of the Government, that is to say, the administration of the country, the administration of law, and the various other big branches. With regard to this part of the account we have to do exactly as we do at present, continue the five years' contract system, but it is not for the most part in that class of expenditure that new and heavy demands are made on the Local Governments.

"And here I take the opportunity to say something about a particular demand in Bengal pressed upon me by more than one speaker to-day, and that is with regard to the General Hospital in Calcutta. In this matter I can speak for the Government of India and for his Excellency the Viceroy as well as myself. We perfectly recognise the extreme urgency of this demand. It is very sad that, when we compare the city of Bombay and the city of Calcutta, we find one of them with magnificent hospitals founded by merchant princes, and the other so devoid of proper provision of the kind. We do not possess these merchant princes in Calcutta, and the consequence is that we have a General Hospital, in which I agree with my honourable friend Mr. Chalmers, that the only thing to be done with it is to raze it to the ground. Now I will read a paragraph from the Government of India's letter of the 17th March last to the Government of Bengal on this subject.

"'The Government of India feel that this decision (that is to say, that we could not afford all the money the Lieutenant Governor asked for) will, in one respect, cause great disappointment to his Honour the Lieutenant Governor, namely, in respect of his plans in connection with the European General Hospital in Calcutta. They do not differ from his Honour's estimate of the urgency of this work. * * *

"'The strain of the present famine has unfortunately further postponed the expenditure; but the Government of India, while excluding from immediate consideration any additions to the assignment on account of this special demand, hope that it may not be found impossible for them to give some assistance towards it when the financial horizon becomes clearer.'

"That is hardly a pledge, though I admit that it means that, if we were well off, we should try to find our way to helping the Lieutenant Governor of Bengal to build a hospital which would be worthy of Calcutta, and would meet the tremendous demand that there is in Calcutta for a decent European hospital.

"The Honourable Mr. Stevens has also accused me of want of generosity towards Bengal in this last Provincial Settlement. I reply to the general accusation of illiberality, by pointing out that at least I have been more liberal in this revision than in any previous revision the Government of India has been, inasmuch as in three provinces out of the eight I have enhanced assignments. But with that one passing objection I will address myself to his figures on the subject. And, in passing, I demur altogether to his Honour's statement that the matter is in dispute between the Government of Bengal and the Financial Department. It is quite true that the Government of India has issued orders on the matter through the Financial Department, but his Honour the Lieutenant Governor is sufficiently well acquainted with the course of business in the Government of India to know that in an important matter like this,

this, although those orders were issued through the Financial Department, they are really the orders of the Government of India as a whole. Now I wish to draw attention to one paragraph in the Financial Statement, in which I showed the exact figures of the way in which the various provinces had been dealt with. If reference is made to paragraph 50, it will be seen that in the present revision we have allowed for expenditure in Bengal which is 10·9 per cent. in addition to the expenditure which was provided for in 1892. I think that is a very fair allowance on the face of it. If any Government increases its expenditure at the rate of 10·9 per cent. in five years, I do not think it has much to complain of if we say we do not see our way to allow of any further increase. His Honour the Lieutenant Governor has made a claim that his province contributes more to the Central Government than any other province. The question of what each province contributes is a very difficult one, and, to tell the truth, I do not think it can be solved. It is rather singular that precisely the same claim has been made on this occasion on the part of the Government of Madras. I know the Government of Madras believes that it is a sort of milch-cow for the supply of the other Local Governments of India. I do not wish to pronounce any opinion as to whether any Government contributes more than or less than its fair share. It is absolutely and entirely a question of opinion, because, although you can take much of the revenue and say it belongs to a particular province, you cannot say with respect to very large sections of the expenditure how much, in any distribution between the provinces, ought to fall upon each. The Honourable Mr. James has been somewhat severely attacked in respect of his observations on this point, and I desire to come to his rescue in explaining some matters relating to the Government of Bengal. Although I do not altogether agree with what he said, still I may say that, in respect to the question of the amount which the Government of Bengal contributes to the common fund, there is something to be said for the view that, in one respect at least, Bengal does not pay the same amount of revenue, and is not assessed on the same scale as the other provinces; that is, of course, in respect to its land revenue. Now I do not want to say anything about the Permanent Settlement; I accept it as a fact, and there is an end of it. But there is one thing to be remembered, and it is this: Supposing the various provinces of India had each remained from the beginning on a separate financial basis; that their funds had not been joined all together, as the Scotch lawyers say, in hotch-pot; that they had always been conducted on entirely separate financial systems, such as exist at the present day in the Australian Continent, which has five separate Colonies each of which is financially separate from the other. Supposing Bengal and the other provinces had been independent up to the present day, I think it is quite evident that Bengal would have had to put up with a smaller scale of expenditure than other provinces, for the simple reason that it would not have the means of providing what the other provinces can pay for, its revenue being in one respect assessed on a smaller scale than the other provinces. I do not for a moment say that we ought not to place it in respect of expenditure on a level with other provinces, because my theory is, as I have already explained, that the revenues of India are the revenues of one single body, and the expenditure must also be recognised as the expenditure of one Empire. But I think that it is quite fair to remind Bengal that, in being placed on the same level with other provinces in respect of its demands for expenditure, it is receiving at the very least an adequate measure of justice from us.

"My Lord, I am very sorry at this late hour to take up more of the attention of the Council, but I do wish to make one or two remarks about the question of the poverty of India. There is one false coin which I want to nail to the counter, and that is that statement about the 27 rupees which has appeared over and over again in the arguments of every individual who lectures upon the poverty of India. I do not know how often I have seen it, but I cannot say I have heard it in Council until to-day, and I will now show exactly what the statement means. I am afraid that the Honourable Members who have hitherto been arguing on the basis of this 27 rupees statement for the poverty of India, have failed to take into consideration what its real meaning is.

"The statement is made in paragraph 173 of the Financial Statement of

1882-83. I brought that statement with me, as I brought a great number of other documents. Long experience has shown me the general line of argument that will be taken in these discussions, and I bring accordingly a number of documents with me on the chance of their being required, and this is one of them. The statement accurately quoted is that it has been calculated that the average income per head of the population in India is not more than 27 rupees per year.

"Now this 27 rupees is always talked of as the income of a family. The Honourable Member to-day compared it with the English agricultural wage. The English agricultural wage is a wage upon which a family lives. This 27 rupees is nothing of the kind. It is the average income per head of the population Well now, if you look at the census returns for India, you will find that the proportion of males between 15 and 50 years of age is as nearly as possible one in four of the population. This statement of 27 rupees, therefore, is exactly the same as saying that the average annual income enjoyed by every male person in India between the ages of 15 and 50 is four times 27 rupees, or 108 rupees, that is 9 rupees per month. Well, no person who knows India would base upon a statement that to every male adult there was an average income of 108 rupees, or of 9 rupees a month, the argument that India was utterly poverty-stricken. I quite admit that there is, unfortunately, a very large number of male individuals who do not possess the 108 rupees, but that is by reason of some other gentlemen, who are more fortunate, running off with so much more than their share of the average. Far be it from me to deny that, reckoned by Western standards, the population of India is a poor population, but such descriptions of its poverty as have to-day been given are not justified by the calculation that every adult male in India enjoys on the average an income of 9 rupees per month.

"As the Honourable Sir Griffith Evans pointed out, it is very common to look back upon the good old times; but if there were golden times in India before we ourselves came into the world, I have never seen any facts brought forward in support of the statement, and the facts quoted by the Honourable Mr. Charlu seem to me to have a very peculiar application to it. He says it is a matter of common notoriety that last century European adventurers came over here and went home with their pockets full of loot. Well, the allegation with which he was contending was that the natives of India were subject to robbery and oppression of every kind; that they never got anything wherewith to enjoy themselves; and to say that European adventurers then joined in the loot is surely not to say that the people were better off in India at that time. But as bearing upon the particular question I will recall one statement which honourable members will find for themselves in the history of famine given by the Famine Commissioners. The only famine of ancient times of which we have any particular information is one in which the Famine Commissioners say it was computed that one-third part of the population died. Well, if one-third part of the population died—we won't say that no part of the population dies now—no doubt a famine like the present cannot be survived without a large increase of mortality, but it is absolutely certain that nothing like one-third part of the population will die this time; the mere fact that one-third part of the population died proves that at that time the population were extremely poor and were not enjoying a golden age. A theory has been started, not in this Council, that famines are entirely due to the wickedness and neglect of the Government of India. My own impression is that famines occurred before the British Government in India came into existence, and that the British Government cannot be charged with introducing the state of things in which famine occurs, and in which famine reduces the people to great misery. It is certain that we cannot look back, as I am afraid some gentlemen do; I am not speaking of members of this Council; we cannot look back to, and sigh for the return of, the halcyon days in which the failure of the monsoon was the death-warrant of one-third part of the population affected.

"I pass on to a few questions which Mr. Playfair propounded to me, and to which I must either give an answer or refuse to give an answer. I find that, barring questions which I have already dealt with, the only question he has asked me is that relating to the loan. I am afraid I must, on the present occasion, refuse to give any information as to what the intentions of the Government

Government are. We mean to make the fullest use of that reserve which we express every year in the Budget when announcing our intentions. I will only say, with reference to one point, namely, that we have no information as yet which would warrant us in saying that we shall have any contribution from Native States towards the loan. So far as we know, the loan, if it is issued, will be offered for public subscription.

"The Council will be glad to know I have no more matters on which I have taken note which will require any observations from me. I thank honourable Members for the attention they have given me during the time I have taken, and I regret that I was not able to collect my remarks within a shorter time. It has been necessary for me to occupy the Council for some time, as I cannot avoid replying to the remarks that have been made on the Financial Statement; and such remarks on an occasion like the present form the main portion of the day's business."

His Excellency the President said:—"The comments of honourable Members, though they have covered a wide field, have naturally to a large extent assumed the form of a criticism of the action of the Government in one or other of the departments for which my honourable colleagues are responsible, and they have offered such explanations as were available. I suppose of no question is that more true than of the provincial contracts which have bulked largely in to-day's discussion. So far, therefore, as the action of the Government of India in this matter on this occasion may be deemed to require defence, I associate myself entirely with the Finance Member, and wish to add nothing.

"I should, however, like to say a word or two on the attitude towards each other of the Government of India and local governments on matters such as this. There is, I think, in some quarters an unfortunate tendency to represent their interests as, if not hostile, at any rate as distinct and separate, perhaps conflicting. I consider this a mischievous mistake. The Government of India and the local governments have each their functions to perform; but, as the Lieutenant Governor has pointed out, they are all parts of the Government of the Queen-Empress in India, and it is their duty to look for agreement and not for difference. For my part I entirely sympathise with the Lieutenant Governor and the local governments in their desire to have means at their disposal to improve their administration and to minister in various ways to the well-being of the people. We in the Government of India are not altogether without aspirations of the same kind, but I admit that the local government is brought necessarily nearer to the every-day needs of the people. The question is not as to the object, but as to the means of attaining it. Now a subordinate Government in any country can attain its objects either by using resources under its own control, or by drawing upon resources which are outside its own control. So long as it restricts itself to the first, it has a just claim to a large measure of independence. But, unfortunately, that state of things is seldom possible, unless the purposes for which the subordinate Government is created are confined within narrow limits. In all other cases the subordinate Government is compelled to appeal to the Central Government for assistance, because it is the Central Government alone that can levy and administer the funds that are derived from the general taxation of the people. And this must include all the more important heads of revenue.

"The appeal on behalf of the subordinate Government is no new thing: I have seen it again and again in various forms, and not only in this country. Sometimes it is for a larger share of the revenue, sometimes for greater permanence in the amount of the assignments. In every case, if the Central Government does its duty, it is told it has given less than what the local or subordinate Government wants. I think myself that it is desirable to make as much as possible of the revenue of a local government consist of moneys which are entirely under its own control, and it may be well worth while to consider, before the termination of the new contracts, whether the Government of India could not devolve upon local governments the responsibility of levying some part of the revenue which now consists of allotments from Imperial funds. The Honourable Sir James Westland, speaking on his own behalf, has indicated that he is not averse to the consideration of the subject, and the Lieutenant Governor has made a suggestion as to bringing it before

a conference of which I will only say that it will receive from me, as a friend of decentralization, all the consideration which is due to any suggestion coming from him. But, whatever the Imperial assignment, be it a larger or a smaller proportion, I maintain that the Government of India will fail in its duty if it does not retain a constant and strict control over it. Remember, every assignment of this kind is a direct hindrance to the remission of taxation. So long as the same body imposes the taxation and is responsible for the expenditure, it can be called to account if taxes become excessive; and it will always bear in mind the necessity of diminishing, if possible, the imposts on the people. The tying up of a large part of its income by its permanent devolution to a spending authority, which is not also a taxing authority, directly diminishes these incentives to economy, and the inevitable result is that growth of income is used for increase of expenditure and not for remission of taxation. Without a surplus, remission of taxation is rarely, if ever, practicable; but, as I share with my honourable colleague the hope that the financial prosperity of India is suffering only a temporary eclipse, I think he was bound to use every effort to secure that the full opportunity remains when the sun of prosperity shines forth once more.

"The consideration to which I have just referred, *i.e.*, that we need not deem ourselves enveloped in a perpetual cloud of misfortune, leads me to another point on which I desire to say a word. I have observed it said that 'the Viceroy's zeal for railway construction, which in itself is commendable enough, is now leading him to insist on an expenditure which the country cannot afford;' and I have noticed that most honourable Members have alluded to the subject, and have done so in terms to which I can take no exception, and have made an earnest, I might say a personal, appeal to me to re-consider this matter. Now I never like to take to myself credit that does not belong to me; and, if zeal in railway construction is commendable, I can only, as I have said before, share the commendation with successive Secretaries of State. They and I came to the conclusion that the time had come when the rate of progress in railway construction might with advantage be increased, and I was able last year to explain to the Council the general outlines of the programme which we hoped to carry out. I believe that no one then thought it unreasonable. Certainly it did not exhaust the possibilities, for we found, when we looked into the matter a few months later, that we had received some 130 other schemes for the extension of railway communication. But it is said the times are different, and there is a pressing demand for a large sum of money. Well, I will be perfectly frank in the matter. This seems to me simply a question of ways and means. We have our financial advisers in India and our financial advisers in England. If between them they cannot find the funds required for a programme of railway construction, beyond all question it must be curtailed. I should be the last man to object. So far they do not think this necessity has arisen, and I am glad of it, as I suppose most honourable Members are glad. I am glad, however, for special reasons of my own. I have confessed to some share in increasing our rate of railway construction, but I think I have been far more anxious to systematise our methods. I am convinced that the system, or rather want of system, which used to prevail, was the cause of an immense amount of unnecessary labour, annoyance, and waste. Mr. Trevor has explained to you certain steps we have taken to ensure a comprehensive review of the situation. I look to great results from that review, when the procedure has been completely developed. But there is one thing essential to its success, and that is that the decisions which result from it should be absolute—that the programme, when settled, should be adhered to. I believe that never before has a more strenuous effort been made to adhere to a declared programme than during the last year. So far from being carried off our heads by the glamour of new lines, we have resolutely resisted many a temptation to add to them. One of the chief difficulties in famine relief operations is to find works on which to employ the people, and not unnaturally new railways are frequently suggested. We have strictly adhered to our principle not to embark in any railway not included in our programme. And we have been able to do this without in any way curtailing the opportunities of local authorities; for, as one of the results of our conference, we were able without any delay to indicate to all local governments what lines in their districts

districts were sufficiently advanced in the way of survey or otherwise to enable us to define the alignment, and we told them that in these cases we were prepared to make such arrangements that the earthworks should be available for relief works.

" I hope I have said enough to show that my only object is to treat railway construction as a simple matter of business. I believe strongly in its being beneficial to this country. I desire to see its progress steady rather than rapid, and I know that sudden changes and contractions are fatal both in method and economy. But I have never wished, and would never consent, to set it above all other considerations.

" It is impossible not to read famine in every page of this Budget. It has swallowed up the hopes the honourable Finance Member held out to us last year, and we are still unable to see clearly how or when we are to escape from its influence. I could have wished that the Honourable Mr. Ananda Charlu, who has in former debates criticised the action of the Government in the matt r of famine insurance, had seen his way to acknowledge that the experience of this winter has shown that the Government has not, after all, been so far wrong. Can any one venture to calculate what the position would have been if the Government, during the last 15 years, had not imposed taxes for famine insurance, and spent the money on the improvement of the means of communication and other protective works? Further, if the estimates which the local government have made are correct, the sum total of the deficits which my honourable friend has to make good does not amount to more than 4½ crores of rupees. But the famine insurance money, so far as not spent on protective works, has been used to permit the Government to avoid the creation of debt. That means to say that at this present moment the Government would otherwise have incurred 5 crores more of debt; and it could now raise 5 crores, if necessary, for the purpose of famine expenditure, without increasing its liabilities beyond what they would have been had the idea of famine insurance never been propounded. The Government can raise this money now, and on better terms than ever before; and it seems to me that the fact that they have dealt wisely and prudently with the yearly balances devoted to this purpose is abundantly proved. I think there will be no dispute that we are at the present moment providing without stint whatever is required for coping with the great calamity. I would fain hope that the recognition of these facts would tend to promote a sense of the integrity of the Government, and also general good feeling. We have alongside of it that remarkable manifestation of generosity which has poured into India from all parts of the world, during the last few weeks, a constant flow of subscriptions, large and small, exceeding yesterday a crore of rupees. It is impossible to estimate the blessings which will accrue to many a sufferer, and I think I may without impropriety on behalf of this Council acknowledge the deep gratitude we feel to the Lord Mayor of London, and all those who have worked with him to bring about this splendid result, and to testify to the sincerity of their sympathy with their fellow-subjects in distress.

" One word only I would add. My honourable friend Mr. Savani, in the course of his remarks, referred to one point, namely, the condition of the people. No one feels more keenly than I that Government does not discharge the whole of its duty, even if it provides adequate funds for meeting calamities like that of this year, and administers them well. These calamities, are, I fear, inevitable in the circumstances of India. But Government is bound never to lose sight of the condition of the people, or to fail to take any opportunity it can of ameliorating it. Sir J. Woodburn mentioned the other day that the subject, and specially the indebtedness of the people, had been under our consideration. It is one of the disappointments of this year that our work in this respect has inevitably been postponed. Our programme of work had been laid out, and it might by now have been well advanced, but the events which have had the result of practically doubling the already heavy work of the two departments under the charge of the honourable Member have been too strong even for his indefatigable energy. But this I can say, that we have no intention of dropping the subject. Personally, I may be deprived of the opportunity I had desired of associating myself with reforming legislation. I cannot but be conscious, as I am speaking within a few minutes of the close of the

fourth session during which I have had the honour of presiding at this Council, that the deliberate forms of Indian legislation do not encourage the expectation that I can see any large measures such as those I have referred to pass into law during my time here. But we can at least pave the way, and I have every confidence that in sympathy for the people, and in earnest wish for improving the conditions under which they live, the present Government of India will be able to show a record of which they need not be ashamed."

The motion was put and agreed to.

EAST INDIA (FINANCIAL STATEMENT, 1899-1900).

RETURN to an Address of the Honourable The House of Commons, dated 19 May 1899 ;—*for*,

" COPY of the INDIAN FINANCIAL STATEMENT for 1899–1900, and of the Proceedings of the Legislative Council of the Governor-General thereon."

India Office,
29 June 1899.

ARTHUR GODLEY,
Under Secretary of State for India.

(*Sir Henry Fowler.*)

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GOVERNMENT OF INDIA

FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT FOR 1899-1900

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FINANCIAL STATEMENT FOR 1899-1900.

PART I.

INTRODUCTION.

In presenting my Financial Statement of March 1898 I alluded to the calamities of famine, war, pestilence, and earthquake which had fallen upon us during the year then closing, and I went on to refer to the promise of brighter times introduced by the abundant harvest of 1897. The recovery of the country has been more rapid than any of us anticipated at the time I allude to; another good harvest has been gathered, and although the plague still casts a shadow over the land, the general condition of the people as evidenced by the Returns of Trade and of Revenue is prosperous, and the famine of 1896 and 1897 is now little more than a memory, its effects being obliterated by the return of prosperous seasons. I cannot, however, pass from the subject without deriving from it one lesson which it seems to me to afford—namely, that the margin between prosperity and adversity in India must be a very narrow one, for if we have learned that one bountiful harvest suffices to restore the country after a widespread and severe famine, we have learned also that the failure of the seasonal rains in a single month of the year is sufficient to set back a full tide of prosperity; and that this is a possibility which in the administration of India, and in its financial administration especially, we dare not leave out of account.

2. In the two calamitous years of which I told the history last March, namely, 1896-97 and 1897-98, I had to shew that the accounts of the Empire were in deficit to the aggregate amount of, as nearly as possible, seven crores of rupees (Rx. 6,988,100 since increased to Rx. 7,064,233). In the two succeeding years (those of which I present the estimates to-day) I am glad to say that this deficit has been, or will be, more than covered, for so complete is the reversal of last year's position that in passing from 1897-98 to 1898-99 we pass from a deficit of Rx. 5,359,211 to a surplus of Rx. 4,759,400, and in my Budget Estimates for next year I anticipate a surplus of Rx. 3,932,600. I lay these figures before the Council at the very commencement of my Statement, as I have no doubt they are anxious to know, as soon as possible, the general drift of the figures which I now proceed to explain in greater detail.

Accounts of 1897-98.

3. The Accounts of 1897-98 were, as usual, published in the first half of January, and the results then shewn compare as follows with the anticipations formed in March 1898:—

	Revenue. Rx.	Expenditure. Rx.	Deficit. Rx.
Estimated in March 1898 .	96,561,500	101,844,600	5,283,100
Actual Accounts . .	96,442,004	101,801,215	5,359,211
Accounts {Better +, Worse —} . .	—119,496	+43,385	—76,111

The differences on the whole were very small, as the accounts under each of the heads of Revenue and Expenditure closely followed the Revised Estimate. Indeed, had it not been that we determined after the close of the year to make certain grants (aggregating Rx. 88,100) to the Provincial Governments of Bombay and of Bengal in further reimbursement to them of their famine expenditure, the difference in the whole account between Revised Estimate and Actuals would have been only Rx. 12,000.

Revised Estimates of 1898-99.

4. In the Budget Estimate for 1898-99 I estimated the results of the year to be a surplus of Rx. 891,400. But we now find that mainly through abundant revenue, military economies on the North-West Frontier, and very favourable exchange, the result of the year will be a surplus, as I have already stated, of Rx. 4,759,400. I shall explain afterwards that on a review of the financial position of the several Local Governments, whose balances have been exhausted by famine and plague, and who have still to meet pressing demands for expenditure while the expansion of their revenues has for a time been set back by the calamities referred to, we have decided to make them grants in aid of their resources, out of the surplus that has accrued to us on the Imperial account. The total amount of these grants is Rx. 700,000, and thus the surplus of the year is reduced from Rx. 4,759,400 to Rx. 4,059,400. The money may be described as expenditure brought to account by anticipation, that is to say, it goes at present merely to swell Provincial balances, and when actually spent on the purposes in consideration of which it is granted, it has not again to be charged against the surplus of the year, but passes through the Provincial adjusting entry.

5. The detail of the differences between the Revised Estimates for 1898-99, as now presented, and the amounts taken in the Budget Estimates prepared twelve months ago are set out in the following statement:—

Estimates of 1898-99.

	Budget.	Revised.	Revised Better.	Revised Worse.
ENGLAND.				
STERLING IN ENGLAND—				
Revenue £	188,300	232,500	44,200	
Expenditure £	16,474,800	16,323,700	151,100	
NET EXCHANGE ON ABOVE Rx.	9,120,500	8,045,600	1,074,900	
NET CHARGE	25,407,000	24,136,800	1,270,200	
INDIA.	Rx.	Rx.	Rx.	Rx.
REVENUES IN INDIA—				
Land Revenue	27,568,200	27,679,400	111,200	
Opium	5,329,800	5,679,400	349,600	
Salt	8,728,000	9,047,200	319,200	
Other Principal Heads of Revenue	24,033,800	24,583,200	549,400	
Post Office and Telegraph (net)	714,000	610,700	...	103,300
Departmental Receipts (*a*)	4,078,600	4,174,700	96,100	
Railways, Net Earnings	12,036,100	12,814,200	778,100	
Irrigation	3,228,100	3,461,700	233,600	
Military Works	50,300	54,200	3,900	
Army	833,000	835,200	2,200	
TOTAL REVENUES	86,599,900	88,939,900	2,340,000	
EXPENDITURE IN INDIA—				
Direct Demands on Revenues—				
Opium	2,654,000	2,348,800	305,200	
Other heads	8,483,900	8,289,500	194,400	
Interest (*b*)	—1,128,900	—1,132,200	3,300	
Civil Departments	17,225,200	17,371,100	...	145,900
Famine Relief	85,100	44,600	40,500	
Protective Works and Reduction of Debt	1,014,100	1,131,500	...	117,400
Railways, Charges against Net Earnings (net)	4,951,700	4,881,800	69,900	
Irrigation	3,211,500	3,218,200	...	6,700
Military Works and Special Defences	1,135,800	1,113,700	22,100	
Civil Works	4,702,100	4,493,600	208,500	
Army (Ordinary Charges)	16,625,800	16,541,500	84,300	
„ Warlike Operations	1,458,000	1,023,700	434,300	
	60,418,300	59,325,800	1,092,500	
Provincial Adjustment—				
Addition (+) or Deduction (—) made for increase or decrease of Provincial and Local Balances	—116,800	+717,900	...	834,700
Special grants to Provincial Governments	...	+700,000	...	700,000
NET EXPENDITURE CHARGED AGAINST REVENUE IN INDIA	60,301,500	60,743,700	...	442,200
Surplus	891,400	4,059,400	3,168,000	

(*a*) Including interest and receipts under Civil Works.
(*b*) This entry in the Indian portion of the accounts is a *minus* one, as the interest passed to the charge of Railway and Irrigation is greater than the whole amount of interest payable in India.

6. The first point to note is that, except for a small falling-off under Stamps and Registration, every one of the Revenue heads shews better results than anticipated in the Budget Estimates. The improvement under Land Revenue is mostly in Burma and the North-Western Provinces. In Opium we have got much better prices in Bengal than we estimated for, namely, Rx. 4,164,000 against Rx. 3,900,000, and in Bombay the low rate of the pass-duty, as compared with previous years, has led to a revival of the export which last year shewed a very considerable decline. The increase in Salt Revenue, which now produces 9 crores against the $8\frac{1}{2}$ which it gave us in the two famine years, is a satisfactory indication of the improvement in the condition of the people, and the Customs Revenue continues to increase as trade continues to flourish.

7. Post Office and Telegraph shew a falling-off, due in the latter case partly to the cessation of hostilities on the North-Western Frontier, but chiefly to the more extensive use of deferred telegrams which are now delivered by hand, and in the former case to reduction of rates of postage. We calculate that by the increase, from one tola to one-and-a-half, of the unit of weight for inland postage we diminish the annual revenue by Rx. 60,000, and by adopting the Imperial Penny Postage (for India, one anna) we give up Rx. 40,000. A considerable portion of this last item will be recovered for us by an arbitration given in our favour, in respect of the distribution, between the English and the Indian Post Offices, of the subsidy charges payable to the Peninsular and Oriental Company and by reductions of the scale of charge in respect of continental transit.

8. Under Railways—Net Earnings—we have received Rx. 778,100 more than we estimated, the important items being—

		Rx.
1. North-Western	Better	410,000
2. Great Indian Peninsula	Better	416,000
3. Bombay, Baroda and Central India	Better	210,000
4. Rajputana-Malwa	Better	70,000
5. Eastern Bengal	Worse	110,000
6. Southern Mahratta	Worse	80,000
7. South Indian	Worse	50,000
8. Madras	Worse	55,000
9. Assam-Bengal	Worse	31,000
Net of the above	Better	780,000

The improvement is due generally to large exports of grain consequent on good winter crops, and in one case to postponement of works of repair and renewal.

The Plague is responsible for the falling-off on the Railways in Southern India.

An inferior jute crop and the postponement of jute deliveries in Calcutta was the cause of the worse result on the Eastern Bengal State Railway, and inclusion in the Working Expenses of the revenue share of repairs of earthquake damages caused the reduction on the Assam-Bengal Railway.

9. On the expenditure side, the first considerable improvement is under Opium, and is due to our failure to obtain as good a crop as we hoped. We have been able to recommence the building up of our Reserve, but the good season for which for many years we have waited has not yet come, and the produce still remains short of our standard. There has also been a considerable saving in the expenditure of the Salt Departments, and fair amounts in the other Revenue Departments. The Civil Departments shew the usual considerable savings in their Budget Estimates, but the amount has been more than swallowed up in the expenditure caused by Plague. The head "Medical"

alone shews an excess over estimate of Rx. 327,800, most of which is in Bombay, and all of which for practical purposes falls on the Imperial Account, for the Provincial Governments are not able to bear the expenditure without assistance in the form of grants from Imperial.

10. The Army expenditure in India (ordinary) is less by Rx. 84,300 than estimated in the Budget, and of the Budget provision of Rx. 1,458,000 in India for Warlike Operations only Rx. 1,023,700 has been spent, the Military authorities having, from the very beginning of the year, found it practicable to reduce the forces maintained on the North-West Frontier.

Rate of Exchange.

11. The rate of exchange taken for the purpose of the Budget Estimate last March was $15\frac{3}{8}$ pence (or rather £1 = R15·6), that being the rate actually realized in 1897-98. At the opening of the year 1898-99 the current rate was $15\frac{13}{16}$ or $15\frac{7}{8}$, but under the influence of a strong demand in April and May (in each of which months the Secretary of State sold two millions sterling of Council Bills) it quickly rose to 16 pence and over. This demand was due mainly to unusually large exports of Rice, Wheat, and Seeds, the figures of which for the five principal months of export are shown in the following table:—

Exports (Value in Rupees) of Rice and Wheat (including Flour) and Seeds by Sea from British India during February to June 1896, 1897, and 1898.

		February.	March.	April.	May.	June.
Rice	1896	2,30,79,157	2,35,35,019	1,28,19,258	87,78,324	1,05,82,552
	1897	2,05,74,378	2,26,73,146	85,42,095	74,73,502	72,22,085
	1898	2,11,33,697	2,39,73,430	1,74,35,984	1,39,93,271	1,00,28,152
Wheat	1896	13,68,050	14,41,371	20,32,888	27,38,742	21,72,359
	1897	3,28,052	1,83,882	3,47,801	5,03,124	6,14,133
	1898	9,99,271	55,10,941	1,09,23,719	2,85,78,798	2,28,64,833
Seeds	1896	68,45,149	96,72,087	1,08,31,633	1,27,32,470	1,10.86,314
	1897	25,08,515	30,02,053	43,92,610	1,09,06,210	85,56,518
	1898	58,76,128	74,23,872	88,45,785	1,25,27,552	1,16,97,108
Total all three.	1896	3,12,92,356	3,46,48,477	2,56,83,779	2,42,49,536	2,38,41,225
	1897	2,34,10,945	2,58,59,081	1,32,82,506	1,88,82,836	1,63,92,736
	1898	2,80,09,096	3,69,08,243	3,72,05,488	5,50,99,621	4,45,90,093

12. The position thus gained at the beginning of the year has never been lost, and the rate has continually fluctuated about 16 pence, now a little over it and now a little under it. In the latter half of the year the rate has never been below $15\frac{15}{16}$ pence. The drawings have now for some time stood at Rx. 700,000 a week, and we expect when the year closes to have remitted by Council Bills £19,000,000 equal to Rx. 28,540,000, giving, as nearly as possible, an average rate of sixteen pence. The Revised Estimates for 1898-99 are accordingly made up at this rate.

13. For next year I have made the modest estimate of $15\frac{3}{4}d.$ I fully anticipate we shall realize, as this year, something closely approaching to 16 pence, but our continual practice in India is to avoid sanguine estimating, and following this principle I am loth to take a figure which may have the taint of being, under existing circumstances, the best possible.

14. It may be noted that not only are the remittances of the current year the largest on record (there being hitherto only one year, 1881-82, in which they exceeded £18 millions), but we have in addition to these remittances received in India in exchange for silver, at the rate of R15 per £ sterling, Rx. 2,616,400 of gold which we now hold as part of the currency reserve in addition to Rx. 255,400 similarly held on 1st April 1898.

Budget Estimates, 1899-1900.

15. The Budget Estimates of Revenue and Expenditure for the coming year 1899-1900 made up at this rate of exchange shew a surplus of Revenue of Rx. 3,932,600. It will be best perhaps to explain the figures by comparing them with the Revised Estimate for the current year, as exhibited in the Statement in paragraph 5 above.

Budget Estimates of 1899-1900 compared with the Revised Estimates of 1898-99.

	Revised, 1898-99.	Budget, 1899-1900.	1899-1900, Better than 1898-99.	1899-1900, Worse than 1898-99.
ENGLAND.				
STERLING IN ENGLAND—				
Revenue . . . . . £	232,500	207,100		25,400
Expenditure . . . . . £	16,323,700	16,531,600		207,900
NET EXCHANGE ON ABOVE . . . Rx.	8,045,600	8,550,900		505,300
NET CHARGE .	24,136,800	24,875,400		738,600
INDIA.	Rx.	Rx.	Rx.	Rx.
REVENUES IN INDIA—				
Land Revenue	27,679,400	27,641,900	...	37,500
Opium	5,679,400	6,003,700	324,300	...
Salt	9,047,200	8,757,200	...	290,000
Other Principal Heads of Revenue . .	24,583,200	24,414,400	...	168,800
Post Office and Telegraph (net) . . .	610,700	501,100	...	109,600
Departmental Receipts (a)	4,174,700	4,052,700	...	122,000
Railways, Net Earnings	12,814,200	13,382,600	568,400	...
Irrigation	3,461,700	3,451,100	...	10,600
Military Works	54,200	50,900	...	3,300
Army	835,200	816,600	...	18,600
TOTAL REVENUES .	88,939,900	89,072,200	132,300	...
EXPENDITURE IN INDIA—				
Direct Demands on Revenues—				
Opium	2,348,800	2,653,900	...	305,100
Other heads	8,289,500	8,622,900	...	333,400
Interest	—1,132,200	—1,319,800	187,600	...
Civil Departments	17,371,100	17,986,800	...	615,700
Famine Relief	44,600	5,700	38,900	...
Protective Works and Reduction of Debt .	1,131,500	1,123,900	7,600	...
Railways, charges against net earnings (net) .	4,881,800	5,218,900	...	337,100
Irrigation	3,218,200	3,333,900	...	115,700
Military Works and Special Defences . .	1,113,700	1,299,600	...	185,900
Civil Works	4,493,600	5,350,800	...	857,200
Army (Ordinary Charges)	16,541,500	16,873,400	...	331,900
Warlike Operations	1,023,700	38,900	984,800	...
	59,325,800	61,188,900	...	1,863,100
Provincial Adjustment	1,417,900	—924,700	2,342,600	...
NET EXPENDITURE CHARGED AGAINST REVENUE IN INDIA.	60,743,700	60,264,200	479,500	...
Surplus .	4,059,400	3,932,600	...	126,800

(a) Including Interest and Receipts under Civil Works.

16. Under Revenue heads in India the collection of arrears of Land Revenue still goes on, but we do not expect next year quite so much as in the current year. Under Salt and Customs we expect a slight advance over the Budget Estimates of 1898-99, but have not estimated to receive so great an advance over these as we shall certainly receive in the current year. The current prices of Opium warrant our estimating for a considerable increase in the revenue under this head.

17. Under Railways the estimates are for a small advance in net earnings. The details are as follow :—

	Budget, 1898 99.	Revised, 1898-99.	Budget, 1899-1900.
	Rx.	Rx.	Rx.
State Railways—Gross . .	19,382,600	19,695,800	20,237,100
Working Charges	9,770,500	9,876,600	10,047,000
Net . .	9,612,100	9,819,200	10,190,100
Guaranteed Railways—Net .	2,424,000	2,995,000	3,192,500
TOTAL NET .	12,036,100	12,814,200	13,382,600

18. The Great Indian Peninsula Railway contributes Rx. 130,000, the Madras Railway Rx. 65,000, and the East Indian Railway Rx. 60,000 of the improvement shewn in Budget, and we expect the Eastern Bengal and Southern Mahratta Railways to recover from their low figures of 1898-99. The increasing mileage of the East Coast Railway will also bring in better returns; on the other hand, there are heavy renewals on the North-Western Railway to be provided for. Under Civil Departments we have to provide for considerable additions to Police expenditure (partly due to Plague); and we have also made fairly ample estimates for Plague expenditure, the charges under "Medical" in India being as follows:—

	Total.	Including Plague Expenditure.
	Rx.	Rx.
1894-95	1,003,438	...
1895-96	1,020,077	...
1896-97	1,065,158	19,000
1897-98	1,328,952	297,000
1898-99, Revised	1,542,900	508,900
1899-1900, Budget	1,678,100	354,200 + 209,500

The last-mentioned Rx. 209,500 is shewn separately, because it is in the nature of a reserve in the "India" Section of the Accounts, and if actually spent, it will not pass under "Medical" in the Imperial Portion of the Accounts, but be dealt with as a transfer.

19. We have increased the total provision for Military Works to Rx. 1,322,300, against expenditure in 1897-98 and 1898-99 of about Rx. 1,168,385 and Rx. 1,197,600, the purpose of the increase being to meet charges likely to fall upon us in respect of places of defence and similar works on the North-West Frontier.

20. The Military Estimates shew large savings in India as compared with the current year, the India figures being—

	Ordinary Expenditure.	Warlike Operations.	Total.
	Rx.	Rx.	Rx.
1896-97 . . .	17,243,137	18,206	17,261,343
1897-98 . . .	16,514,547	3,847,992	20,362,539
1898-99, Budget .	16,625,800	1,458,000	18,083,800
1898-99, Revised .	16,541,500	1,023,700	17,565,200
1899-1900, Budget .	16,873,400	38,900	16,912,300

No Remission of Taxation.

21. In view of the surpluses as shewn in the Revised and Budget Estimates, the Government of India have carefully considered the question whether they should propose, at present, any remission of existing taxation. The conclusion to which they have come is that any such proposal would be premature, and this mainly on two grounds. The first is that we have, as it were, to make up for arrears. As stated in my opening paragraph, we have had in the past two years deficits aggregating Rx. 7,064,233, and we ought to regard ourselves as under an obligation to recover our position by accumulating counterbalancing surpluses. The second and weightier reason is that we have in contemplation, as is well known, certain extremely important measures of currency reform, which are under the consideration of a Committee sitting at the India Office in London. Whatever the advice of that Committee may be, we consider we are bound to prepare for any measures that may result from it by preserving as strong a financial position as possible, and we consider we would act unwisely if we were to reduce our financial strength by remitting existing taxation and run the risk of finding ourselves, by our own action, less free than we would otherwise be to undertake any measures of currency reform that may seem desirable.

Railway Construction.

22. I have, in former Financial Statements, referred to the policy recently established of laying down a programme of Railway Construction for three years in advance. The first of these programmes was for the three years ending 31st March 1899. This programme was at first intended to include an expenditure of 27 crores of rupees, but was afterwards extended to 29⅔ crores. Latterly, however, financial difficulties have obliged us somewhat to curtail the expenditure, and we expect to expend against the programme of 29⅔ crores the following amounts :—

	Rx.
In 1896-97 (actuals)	8,658,800
„ 1897-98 („)	8,145,500
„ 1898-99 (Revised Estimate)	8,387,500
TOTAL .	25,191,800

23. I leave to my Hon'ble Colleague Sir A. Trevor the task of stating in detail the results of the expenditure. It is sufficient here to set them out in the most general form (the figures of the Railways of Native States and of other Railways that lie outside our accounts being omitted) :—

	Standard Gauge.	Metre Gauge.	Special Gauges.	Total.
March 31, 1896—				
Mileage open . . .	10,430	6,842	36	17,308
„ under construction .	1,490	1,086	...	2,576
TOTAL .	11,920	7,928	36	19,884
March 31, 1899—				
Mileage open . . .	11,728	7,522	36	19,286
„ under construction .	814	971	77	1,862
TOTAL .	12,542	8,493	113	21,148

24. I divide the Railway Construction in the present estimates, for convenience sake with reference to our accounts, into four categories, namely:—

First.—State Railway Construction; money found by Government, but also by debentures in the case of the East Indian and Assam-Bengal Railway Companies.

Second.—Construction by Assisted and Working Companies out of funds raised by them or in some cases advanced by Government to them. Also Branch Line Companies under a firm guarantee.

Third.—Open line capital and new construction by the old Guaranteed Companies.

Fourth.—Construction by Companies outside the accounts of the Government, and also construction by Branch Line Companies on rebate terms.

The above classification slightly differs from that of last year's Statement, as under new arrangements every portion of the above comes within the programme, except the fourth category, *viz.*, Company construction outside the accounts of Government, and Branch Line Companies not under firm guarantee.

25. The Estimates of Capital construction for the two years 1898-99 and 1899-1900 now stand as follows, the figures for programme expenditure in the Revised Estimate of 1898-99 being modified so as to correspond with the new classification:—

	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	Rx.	Rx.
FIRST CATEGORY—STATE RAILWAYS—		
Funds available by Famine Grant	695,400	490,000
Grant under—		
48.—State Railway Construction	2,882,200	3,465,000
East Indian Railway Company's Debentures	1,573,800	750,000
TOTAL	5,151,400	4,705,000
SECOND CATEGORY—ASSISTED COMPANIES	3,155,300	3,009,900
THIRD CATEGORY—OLD GUARANTEED COMPANIES	851,600	1,107,800
TOTAL "PROGRAMME"	9,158,300	8,822,700
Add—FOURTH CATEGORY (outside programme)	1,470,100	950,300
TOTAL	10,628,400	9,773,000

N.B.—The Chittagong Port Works, connected with the Assam-Bengal Railway, shewn in last year's Statement as Miscellaneous Public Improvements, are now included as "Railway Construction."

26. Having now carried to a fairly successful issue this policy of temporary activity in railway construction, we think it wise, both from a railway and from a financial point of view, to curtail for a time the rate of progress of railway construction. The nine or ten crores a year sanctioned in 1897 was not meant to be permanently adopted, and we deem it desirable now to allow a short time for the earning capacity of the lines recently constructed to develop itself, before again undertaking special burdens in the direction of capital outlay upon railways.

27. For these reasons we deemed it advisable to fix about 20 crores as the limit of our expenditure for the next three years; and a programme was accordingly prepared for expenditure as follows:—

	Rx.
1899-1900	6,772,700
1900-1901	6,728,400
1901-1902	6,821,000
TOTAL	20,322,100

but we have had to alter these figures for the following reason. In the Budget Estimates of 1898-99, we proposed to spend under the first three years' programme a sum of Rx. 10,788,900 in the year 1898-99, but the inability of the workshops in England to meet the demands which were made upon them by ourselves and the various constructing companies has reduced the expenditure of 1898-99 to Rx. 8,387,500. Many of the orders, however, will be completed and paid for in 1899-1900, and we have therefore to provide, under the new three years' programme, in 1899-1900 not only the intended Rx. 6,772,700, but a considerable amount in addition, which may be regarded as arrears of the old programme handed on to the new one. The amount estimated for is therefore Rx. 8,822,700.

28. The following are the entries under the first category (State Railways) :—

	Revised, 1898-99.	Budget, 1899-1900.
Expenditure by State Agency—		
Open lines—	Rx.	Rx.
North Western	228,300	212,300
Oudh and Rohilkhand	95,700	72,800
Eastern Bengal	150,500	257,200
East Coast	69,000	40,000
Warora Colliery	—6,300	—2,100
Umaria Colliery	—7,100	—100,000
Stores transactions	—15,800	—7,500
TOTAL	505,300	472,700
Lines under construction—		
Rae Bareli-Benares	54,400	4,000
Bhatinda-Ferozepur Conversion	64,700	...
Mari-Attock	142,500	25,000
Jullundur-Hoshiarpur—(Land)	—100	...
Ghaziabad-Moradabad	238,000	332,600
Indus Bridge	108,400	35,000
Bezwada-Madras	669,200	30,000
Godavari Bridge	166,400	200,000
Lyallpur-Khanewal	90,200	75,000
Cooch Behar-Santrabari	30,300	12,500
Rajbari-Fareedpur	26,100	...
Shadipalli-Jodhpore Frontier	100,300	100,000
Rungpur-Dhubri including Teesta Bridge	46,100	211,500
Southern Punjab—Rolling-stock	202,800	2,700
Hurdwar-Dehra „	7,800	27,200
Brahmaputra-Sultanpur „	36,600	8,800
Mymensingh-Jamalpur „	40,700	9,400
Nowshera-Dargai	...	120,000
TOTAL	2,024,400	1,193,700
Expenditure by Agency of Companies—		
Open lines—		
East Indian including extensions	1,450,000	1,500,000
Rajputana-Malwa system	1,600	90,000
Tirhoot	157,000	40,000
Bhopal	5,400	10,000
Dhond and Manmad	5,500	16,000
South Indian	—200,000	50,000
Guntakal-Mysore Frontier	—400	...
Madras-Ennore	200	...
TOTAL	1,419,300	1,706,000

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
Lines under construction—		
Assam-Bengal { Land, Part I	22,000	20,000
Assam-Bengal { Construction, Part II	1,134,400	762,000
Assam-Bengal { Chittagong Jetties	46,000	18,000
Hajipur-Katihar Extension	250,000	200,000
Madura-Paumben	...	100,000
Tinnevelly-Quilôn	...	70,000
TOTAL	1,452,400	1,170,000
Lump deduction on account of probable lapse	250,000	...
Reserve	...	162,600
TOTAL FROM IMPERIAL FUNDS	5,151,400	4,705,000

29. The items in the second category (Assisted Companies) are :—

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
Bengal-Nagpur	1,861,000	1,770,000
Indian Midland	203,000	165,000
Burma Railways	700,000	800,000
Bengal Central	78,100	40,000
Lucknow-Bareilly	15,300	6,900
Southern Mahratta	44,900	40,000
Mysore	35 000	20,000
Hardwar-Dehra	150,000	88,000
Brahmaputra-Sultanpur	68,000	80,000
TOTAL	3,155,300	3,009,900

30. The estimate under the third category (old Guaranteed Companies) provides for :—

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
Open Line Capital—		
Great Indian Peninsula	73,600	74,000
Madras	20,100	60,000
Bombay, Baroda and Central India	459,100	410,000
Extensions—		
Calicut-Cannanore	70,600	200,400
Amalner Palgaon-Chalisgaon Dhulia	228,200	363,400
TOTAL	851,600	1,107,800

31. The principal projects classed under the fourth category and outside the "programme" are:—

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
Bengal Dooars Extensions	40,000	200,000
Bengal and North-Western Railway Extensions	445,000	365,000
Tapti Valley	650,000	230,000
South Behar	204,000	77,500
Smaller Branch Lines	131,100	77,800
TOTAL	1,470,100	950,300

Capital Expenditure on Irrigation.

32. The amount of Rx. 750,000 has hitherto been provided for expenditure on Irrigation. In 1899-1900 a further amount of Rx. 100,000 is provided under this head. The grant for 1898-99 which was of the usual amount, Rx. 750,000, has not been fully worked up to, owing chiefly to the approaching completion of the Chenab Canal and partly to it not having been found possible to start work on the Jhelum Canal in the early part of the year.

33. The principal works under this head are at present:—

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
Mandalay Canal	90,000	100,000
Fatehpur Branch of the Lower Ganges Canal	63,600	42,600
Chenab Canal	151,500	80,000
Jhelum Canal	36,200	210,000
Jamrao Canal	142,200	133,900
Other Projects	208,700	283,500
TOTAL	692,200	850,000

Remittance and Debt.

34. The following account shews in a shortened form the requirements of the Secretary of State; the figures are drawn up so as to shew separately the transactions on account of Government, and the transactions arising out of the operations of Railway Companies:—

	Revised, 1898-99. £	Budget, 1899-1900. £
Requirements on Government Account—		
Excess of expenditure on Revenue Account	16,091,200	16,324,500
Expenditure not charged to Revenue	791,100	682,100
Net payments on Remittance Accounts, etc.	225,400	268,800
Total Requirements	17,107,700	17,275,400
Transactions of Railway Companies—		
Net receipts on account of Capital	2,183,100	1,970,000
Payments for Stores, etc.	2,718,000	3,181,700
Net Outgoings	534,900	1,211,700
Net Funds required	17,642,600	18,487,100

35. The following figures shew the manner in which the above requirements have been or are to be financed:—

	Revised. 1898-99.	Budget, 1899-1900.
	£	£
By Council Bills (net Remittance) . .	19,000,000	17,000,000
By addition to Permanent Debt . .	1,912,800	...
Less reduction of Temporary Debt . .	—1,500,000	...
By reduction of Cash Balance . .	...	1,487,100
Deduct—Addition to Cash Balance .	—1,770,200	...
	17,642,600	18,487,100

36. In last year's Financial Statement I mentioned that the Secretary of State intended, besides renewing £6,000,000 outstanding temporary debt, to raise £6,000,000 permanent debt. This amount was raised in July in the form of India 2½ per cent stock, but it was issued at a considerable discount (namely, at a rate of £88 10*s.* 5*d.* per cent), and produced only £5,297,700 in cash. With the money he discharged permanent debt to the extent of £3,384,900, so that the net amount raised by addition to sterling debt was £1,912,800. The Secretary of State has decided that the discount on the loan, *viz.*, £702,300, shall not be charged upon the revenues of the year, but shall be discharged by a Sinking Fund at the rate of interest borne by the loan, *viz.*, 2½ per cent, lasting over 50 years. There are already one or two Sinking Funds of the kind in connection with the sterling debt; £12,622 being the total charge appearing in the Accounts of 1897-98. The amount added by the new Sinking Fund is about £7,000.

37. The heavy drawings of the year, by Council Bills, enabled the Secretary of State to improve upon his intention of renewing the £6,000,000 outstanding temporary debt, and he renewed only £4,500,000 of it. The remainder of the excess of drawings went towards increase of the Cash Balance, which is estimated to stand, on 31st March 1899 at the unusually high figure of £4,304,400.

38. For next year, 1899-1900, the Secretary of State estimates to draw £17,000,000 by Council Bills, and though he does not estimate for any increase or decrease in either permanent or temporary debt, he considers that in view of the high balances which his Estimates, both Revised and Budget, show, he may find it possible to pay off some of the outstanding temporary debt.

39. In March last we estimated that we would have to raise a rupee loan of Rx. 3,000,000 in India, but as the time approached for our doing so, we found both that improved revenues had added to our resources, and the market was not favourable for so large a loan. We therefore limited our proposed loan to an amount of Rx. 1,200,000 under 3½ per cent conditions, and this amount was raised on August 24th at an average rate of R94 12½ annas per cent. The price remained about this figure for some months, but has recently advanced to over par.

40. We reckon that in India we shall be able next year to meet all the demands upon our Treasuries without raising any new debt, but it must be understood that all these announcements about the amount of contemplated remittances and loans are subject to the usual reservation of entire liberty to the Secretary of State to alter his plans as he may find occasion.

PROVINCIAL FINANCE, 1892 to 1899.

(The tabulated figures in this part are hundreds of Rx., that is, two ciphers are omitted.)

41. The progress of Provincial Finance is easiest studied by considering separately:—

First.—The amount of net Revenue, of which a definite portion settled by the terms of the "Contract" is at the disposal of the Provincial Government for its expenditure on Civil Administration.

Second.—The modification of this Provincial share of net Revenue caused by special arrangements, different in each Province, in connection with certain portions of Irrigation and Railway Administration, involving in some cases a small net outlay and in some a small net revenue.

Third.—The appropriation of the funds thus obtained towards the Provincial Expenditure, and especially the relation between the increase of expenditure and the increase of available funds.

42. The first figures to be set out are, therefore, the totals of the net revenues, that is, the revenues less expenditure directly charged against them. They are as follow, the figures being quite independent of any considerations as between Imperial and Provincial:—

Total Ordinary Revenues—

	Contract, 1892.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised.	1899-1900, Budget.
Central Provinces .	1,248,6	1,244,0	1,231,2	1,171,3	1,252,9	1,089,5	1,048,5	1,322,9	1,398,7
Burma (*a*) . .	3,643,3	...	...	...	...	...	3,948,2	4,147,0	4,012,8
Assam . . .	814,0	842,9	962,5	992,1	1,003,4	1,015,3	995,8	1,047,3	1,047,3
Bengal . . .	7,081,6	7,325,2	7,445,8	7,606,9	7,714,8	7,823,5	7,835,9	7,998,8	8,058,9
North-Western Provinces and Oudh .	7,677,8	7,716,1	7,778,9	7,589,1	7,866,2	6,655,6	7,264,8	8,419,1	8,470,1
Punjab . . .	3,060,1	3,133,8	3,261,1	3,223,5	3,290,5	3,224,3	3,409,8	3,561,8	3,530,4
Madras . .	6,817,1	7,106,2	7,469,2	7,645,6	7,719,3	7,478,8	7,863,2	8,015,5	7,988,0
Bombay (*b*) . .	5,412,1	5,489,1	5,646,1	5,550,6	6,018,2	5,367,0	5,625,2	5,950,2	5,943,0

(*a*) The figure against Burma in the column "Contract, 1892" represents the Contract of 1897.

(*b*) The figures relating to alienated Land Revenue, an entry peculiar to Bombay, are omitted from both sides.

43. The next statement shews the portion of these revenues which, according to the Provincial contract in each case, is credited to Provincial Account. The figures stand as follows, and it may be noted that the revision of the contract made with effect from 1897-98 onward, was such as to cause little change in the total of the Provincial share, except in the two Provinces of Bengal and Madras where it was reduced by Rx. 90,000 and Rx. 130,000 respectively, and in the North-Western Provinces where it was increased by about Rx. 120,000, namely, the cessation of a temporary reduction of Rx. 50,000, and a direct addition of about Rx. 70,000. (The figures are as they stand before the addition of the contributions from Imperial entered at the end of the table in paragraph 47 and the special grants-in-aid and expenditure therefrom of which mention is made in paragraphs 65 and 66 below):—

Provincial Share of Revenues—

	Contract, 1892.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised.	1899-1900, Budget.
Central Provinces .	653,3	652,5	647,2	623,9	649,6	598,9	566,1	713,1	750,8
Burma (*a*) . .	2,604,1	...	...	...	...	...	2,768,5	2,891,8	2,822,5
Assam . . .	477,1	500,3	549,7	556,4	566,9	575,9	564,3	626,0	626,3
Bengal . . .	2,767,1	2,899,4	2,941,4	3,049,2	3,102,6	3,160,9	3,552,1	3,517,5	3,549,3
North-Western Provinces and Oudh . .	2,235,8	2,254,4	2,284,9	2,218,7	2,309,8	1,959,7	2,101,5	2,719,2	2,729,1
Punjab . . .	1,382,6	1,414,0	1,451,2	1,440,0	1,476,8	1,483,5	1,571,3	1,631,2	1,611,6
Madras . .	2,368,7	2,491,0	2,587,9	2,653,5	2,676,7	2,627,1	2,588,5	2,655,7	2,632,4
Bombay . .	2,404,4	2,451,5	2,490,8	2,481,2	2,601,2	2,405,4	2,475,9	2,554,9	2,569,7

(*a*) The figure against Burma in the column "Contract, 1892" represents the Contract of 1897.

44. I offer some comments on these two statements, shewing them in parallel columns :—

	Total Imperial *plus* Provincial.	Provincial Share only.
Central Provinces.	Fairly continuous progress—a small drop in 1894-95 due, as the details shew, to failure of Land Revenue—Recovery in 1895-96. Then a serious loss of Revenue in the two famine years 1896-97 and 1897-98. But complete recovery in the early future is anticipated.	The Province obtained in the earlier years little or no margin of revenue beyond that allowed for in the Contract of 1892, and in the famine years there was very great loss as compared with that standard. If the anticipations for 1898-99 and 1899-1900 are realized, it will be very fairly off.
Burma .	No figures are here shewn for the years preceding 1897-98, the accounts having been completely changed in that year by the incorporation of Upper and Lower Burma as a single Province of account. The revenue is considerably in excess of that which was taken as the standard for the framing of the Provincial Contract of 1897. The falling-off in 1899-1900 is under "Forests," and may perhaps be due only to cautious estimating.	Revenue considerably in excess of the standard taken for the contract.
Assam .	Revenue steadily progressive. The effect of the earthquake in 1897-98 is shewn only in a slight slackening of the rate of progress.	Has all along enjoyed a considerable excess of revenue—at present nearly 30 per cent (Rx. 170 to 190 thousands) over the contract figure of 1892. But of this amount Rx. 33,000 represent a special addition made to meet the South Lushai expenditure transferred to Assam.
Bengal .	Also shews a steady progressive revenue. Owing presumably to the famine the progress from 1896-97 to 1897-98 was rather less than in other years. The falling-off was mainly under "Excise," as Land Revenue in Bengal is little subject to variation in consequence of famine.	The accounts of the Province were greatly affected by the withdrawal from the Province in 1897 of the extremely progressive revenue of the Eastern Bengal Railway the share of Revenue substituted therefor not being so progressive. Combining the ordinary revenue and the Railway account the figures stand thus:— Standard of 1892 . . 2,806,3 1892-93 . . . 2,962,4 1893-94 . . . 3,011,0 1894-95 . . . 3,193,2 1895-96 . . . 3,235,7 1896-97 . . . 3,328,0 1897-98 . . . 3,297,8 1898-99 . . . 3,238,7 1899-1900 . . . 3,267,0 which certainly may be called fairly progressive, the figures of the last two years being due in part, it may be hoped, to caution in estimating. The new contract, commencing from 1897-98, involved a reduction of about Rx. 90,000 in the Provincial share.

	Total Imperial *plus* Provincial.	Provincial Share only.
North-Western Provinces.	A fairly progressive revenue till the famine year, then a tremendous falling-off in Land Revenue (1896-97). Partial recovery in 1897-98 and in the following two years very high figures due to recovery of famine arrears.	The unequal operation of the Irrigation account and the change effected in it in 1897 renders it necessary to combine the figures for this Province as in the case of Bengal. They stand thus— Standard of 1892 . . 2,215,4 1892-93 . . . 2,265,2 1893-94 . . . 2,314,5 1894-95 . . . 2,234,1 1895-96 . . . 2,170,3 1896-97 . . . 2,160,2 1897-98 . . . 2,432,4 1898-99 . . . 2,641,5 1899-1900 . . . 2,632,2 The story of these figures is shortly this,—At first a little improvement over the standard taken for settlement. In 1895-96 a failure of irrigation revenue, 1896-97 famine, and consequent failure of revenue. Thereafter the rapid recovery of the Province and the realizations of famine arrears of revenue bring in ample resources. The new contract, commencing from 1897-98, increased the assets by about Rx. 120,000.
Punjab .	Steady progress as reckoned over the whole period, but a slight set back in the famine year.	The same as in the other column.
Madras .	Shews a very progressive Revenue, the advance being only temporarily interrupted by famine.	Rapid increase of revenue up till the famine year—from that time figure fairly steady, but not advancing. The Provincial share from 1897-98 onwards would stand about Rx 130,000 higher but for the revision of contract which came into operation from that year.
Bombay .	An increase up to the famine year, then a considerable set back which has not yet been fully recovered.	The same remark as the first one in the case of Madras.

45. The sets of figures which I next shew are those relating to the Irrigation and Railway portion of the Provincial contracts, which I have described as coming in in modification of the amount of ordinary revenue otherwise at the disposal of the several Governments. The amount of modification thus imposed has, except in two cases, only slightly changed during the period under review, and the figures are, therefore, of no great importance except in the cases referred to, namely, Bengal and the North-Western Provinces, and these have been dealt with above:—

Railways and Irrigation Accounts—

	Contract, 1892.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised.	1899-1900, Budget.
Burma * . .	—125,0	...	...	..	...	...	—116,5	—130,5	—157,0
Assam . .	—9,5	—13,0	—10,5	—9,3	—10,2	—13,9	—14,2	—22,4	—9,5
Bengal . .	+39,2	+63,0	+69,6	+144,0	+133,1	+167,1	—254,3	—278,8	—282,3
North-Western Provinces and Oudh . .	—20,4	+10,8	+29,6	+15,4	—139,5	+200,5	+330,9	—77,7	—96,9
Punjab . .	+2,0	—23,5	—6,2	—5,7	+5,1	+6,1	+9,3	+7,8	+8,0
Madras . .	—313,9	—409,1	—360,7	—319,0	—334,8	—396,6	—297,5	—310,9	—313,9
Bombay .	+5,1	—41,4	—15,6	—1,2	+3,7	—2,2	+7,7	+5,9	+8,7

* The figure against Burma in the column "Contract, 1892" represents the Contract of 1897.

46. The next step is to examine the expenditure of the various Governments and observe how far they have kept the increase of it within the limits imposed by the increase of revenue. I shew separately the ordinary expenditure and the direct expenditure upon famine and plague.

47. The details are as follow, and the figures have to be compared with the general statement of available resources in the right column under paragraph 44 above :—

Expenditure Account—

	Contract, 1892.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised.	1899-1900, Budget.
Expenditure, excluding Plague and Famine—									
Central Provinces	653,3	674,3	707,9	679,6	673,0	688,7	764,4	706,0	713,1
Burma*	2,479,1	...	...	...	...	...	2,419,9	2,460,4	2,755,5
Assam	467,6	478,0	567,7	558,5	542,2	587,4	675,7	707,6	671,7
Bengal	2,806,3	2,972,1	2,974,1	2,993,4	3,115,9	3,295,2	3,302,0	3,141,6	3,272,0
North-Western Provinces and Oudh	2,215,4	2,281,9	2,339,7	2,349,9	2,342,2	2,485,8	2,513,7	2,401,7	2,586,9
Punjab	1,384,6	1,496,6	1,467,7	1,459,1	1,489,0	1,522,4	1,486,7	1,558,5	1,621,6
Madras	2,054,8	2,216,6	2,193,4	2,212,1	2,327,6	2,383,9	2,286,8	2,266,3	2,331,2
Bombay	2,409,5	2,433,6	2,455,7	2,526,5	2,560,2	2,588,9	2,605,4	2,534,6	2,604,7
Plague and Famine Expenditure (Provincial)—									
Central Provinces	...	...	...	6,4	...	2	5,8	18,3	17,5
Burma	...	...	...	...	...	...	62,7	...	...
Assam	...	...	...	...	...	...	...	...	...
Bengal	...	1	...	...	...	219,4	299,0	15,6	5,0
North-Western Provinces and Oudh	...	...	...	2	17,9	...	21,4	19,8	20,8
Punjab	...	...	...	...	...	31,3	96,2	18,0	10,0
Madras	...	24,4	2	...	2	47,2	161,9	20,7	64,1
Bombay	...	4	...	...	...	35,4	191,5	354,8	126,4
Provincial Balances apart from grants-in-aid by the Imperial Government—	*1st April 1892-93.*								
Central Provinces	205,4	183,6	122,9	17,8	37,4	—52,6	—256,7	—267,9	—247,7
Burma	...	...	...	...	...	...	481,6	782,5	692,5
Assam	135,9	145,2	116,7	89,3	119,8	94,4	—31,2	—135,2	—190,1
Bengal	235,3	225,5	262,4	432,2	582,0	395,4	92,2	173,7	163,7
North-Western Provinces and Oudh	512,4	495,7	470,5	304,5	164,7	—160,9	—263,6	—43,6	—19,1
Punjab	277,1	171,0	148,3	123,5	116,4	52,3	50,0	112,5	100,5
Madras	419,1	260,0	293,6	386,0	430,1	229,5	71,8	129,6	52,8
Bombay	407,0	383,1	402,6	300,1	400,8	179,7	—133,6	—462,2	—614,9
Contributions from Imperial in aid of Provincial Balances—									
Central Provinces	...	...	...	...	...	52,6	204,1	...	...
Assam	...	...	...	...	...	...	80,0	80,0	...
Bengal	...	...	...	...	...	...	...	20,0	...
North Western Provinces and Oudh	...	...	...	...	...	160,9	102,7	...	...
Madras	...	...	...	...	...	...	...	50,7	64,1
Bombay	...	...	...	...	...	...	183,6	278,6	126,4

* The figure against Burma in the column " Contract, 1892 " represents the Contract of 1897.

48. *Central Provinces.*—The expenditure up to the famine year rose 2 or 3 lakhs (Rx. 20,000 or 30,000) above the standard of 1892; and since, as already observed, there was no margin of revenue, this resulted in the exhaustion of the ample balance, Rx. 205,400 with which the Province started. The strain of the famine year reduced the balance (apart from direct famine expenditure) still further to a deficit of Rx. 52,600 in 1896-97, and a further deficit of Rx. 204,100

in 1897-98, both of which were made up by grants from the Imperial Exchequer. The Province started in 1898-99 without any balance at all, and it is now expected that there will be a deficit in the year of Rx. 11,200, which must again be made up by a grant from Imperial Revenues. In 1899-1900 its estimated expenditure is well within its means.

The Province has taken practically no share of the cost of famine, which has been entirely Imperial—Rx. 1,640,245.

49. *Burma.*—Has not spent up to the rate of its increase of revenue, and has in consequence an ample and increasing balance. It is arranging now to expend part of the amount in meeting certain demands for Provincial Public Works, and has also made other proposals for expenditure on the public services.

50. *Assam.*—Had a comfortable balance, all along, of 10 lakhs (Rx. 100,000) more or less, keeping its increase of expenditure well up to, but not in excess of, its increase of revenue. The repair of earthquake damages imposed heavy charges in 1897-98 and 1898-99, which have largely exhausted the Provincial balance of Rx. 94,400 and absorbed also a grant of Rx. 160,000 by the Government of India; the balance being reduced for 31st March 1899 to about Rx. 25,000. In 1899-1900, after providing for absolutely necessary expenditure for Public Works and for the repair of earthquake damages, the estimates shew a deficit of Rx. 54,900.

The expansion of ordinary expenditure has been very considerable during the period under review.

51. *Bengal.*—The revenue of this Province, as above shewn, has afforded a margin for expansion of Provincial expenditure—namely, Rx. 2,806,300 in 1892 to (say) Rx. 3,300,000 in 1899-1900. The expenditure, however, was kept well in hand, so that the balance increased from Rx. 225,500 in March 1893 to Rx. 582,000 in March 1896. But this high balance sank to Rx. 92,200 two years later, as Rx. 518,400 out of it were spent in direct famine and plague charges. The ordinary expenditure in the two years now under estimate is taken at Rx. 3,141,600 and Rx. 3,272,000, which may be regarded as within the means of the Province, though it leaves a small deficit on the estimates of 1899-1900.

The Imperial Exchequer incurred famine charges in Bengal up to a total of Rx. 576,821 (about half of the total), but did not otherwise contribute by grants-in-aid to the resources of the Province.

The Province of Bengal has not had much plague expenditure to bear out of its own account, but we have made to it in 1898-99 a grant-in-aid of Rx. 20,000 which it will distribute to those Municipalities and Local Bodies whose funds have been most severely affected by expenditure on plague.

52. *North-Western-Provinces.*—The Province had the advantage of starting in 1892 with a large balance still remaining on the credit side, but the rate of its annual expenditure was in excess of its annual revenue (having been found by reduction of balances), and when in the year before the famine a very favourable monsoon caused a failure of irrigation revenue (an important item in North-Western Provinces finance), the Province found its balance on March 31, 1896, reduced below the stipulated minimum of 20 lakhs (Rx. 200,000), and, as already said, a rate of current expenditure in excess of its current revenue by between 10 and 15 lakhs. During the strain of the famine year nothing could be done to amend this state of things, and the balance was overspent by Rx. 263,600, the amount being accordingly made up by grants-in-aid out of the Imperial Exchequer in the two years 1896-97 and 1897-98.

Under these circumstances, the Province contributed nothing towards the direct famine expenditure, the whole of which, Rx. 2,064,025, was found out of Imperial resources.

For 1898-99 it stands, as explained, without any balance to its credit, and its estimates stand as follows:—

	1898-99. Rx.	1899-1900. Rx.
Revenue Accounts	2,641,500	2,632,200
Expenditure Accounts	2,421,500 (*a*)	2,607,700 (*b*)
Results	+220,000	+24,500

(*a*) Includes Rx. 19,800, Plague. (*b*) Includes Rx. 20,800, Plague.

The handsome surplus which comes in in 1898-99 is due to the recovery by the North-Western Provinces of the arrears of the revenue due in 1896-97 and 1897-98, in compensation for the loss of which Imperial made the grants-in-aid of Rx. 263,600 above alluded to. In the coming year, 1899-1900, the Government, North-Western Provinces, propose to increase their scale of expenditure all round to a rate which they will not be able to maintain after the arrear collections (which add some lakhs to the present scale of revenue) are exhausted and the revenue falls back to its ordinary amount.

In anticipation of this surplus of 1898-99 and 1899-1900 it was stipulated that the benefit of these arrear collections was (*quoad* the Provincial share) to be considered as not applicable to current expenditure, but to be reserved (to the extent of 75 per cent of it) for building up the exhausted Provincial balance. The Government, North-Western Provinces, have fulfilled this pledge, and are now appropriating these arrears to a temporary increase of expenditure bearing in mind the impending diminution in the amount of their annual income as compared with the figures of 1898-99 and 1899-1900.

53. *Punjab.*—The Province has all along proceeded on fairly prosperous lines. The balances which were continually diminishing before the famine year are now on the rise, and the expenditure is within the amount of revenue available. The Province escaped any severe share in the calamities of 1896 and 1897, and the Imperial expenditure on famine was less than 3 lakhs (Rx. 30,000), the Province itself contributing about 12 lakhs (Rx. 120,000) or, including "Local," nearly 16.

54. *Madras.*—The expanding revenues of this Province have carried it through its period of disaster. It contributed moderately, that is, a total of a little over 20 lakhs (Rx. 200,000), towards its famine expenditure, the Government of India having undertaken all the rest (*viz.*, Rx. 732,995) so as to leave the Province with an opening balance of Rx. 71,800 in 1898-99. The Government of India further propose to make a grant to Madras of the amount of direct famine and plague expenditure incurred by it in 1898-99, namely, Rx. 20,700, and to estimate for next year a similar grant of Rx. 64,100. They also grant a further sum of Rx. 30,000 in 1898-99, placing the amount at the disposal of the Local Government for grants-in-aid to such Municipalities and Local Bodies as have been most affected by plague expenditure. With its famine and plague expenditure thus made up the Province shews a fair surplus on its transactions of 1898-99, and a small deficit in 1899-1900.

The detailed figures are:—

	1898-99. Rx.	1899-1900. Rx.
Revenue Accounts	2,655,700	2,632,400
Deduct—Railway and Irrigation Account	310,900	313,900
Net available Revenue .	2,344,800	2,318,500
Proposed Expenditure, excluding Plague and Famine	2,266,300	2,331,200
Plague and Famine	20,700	64,100
TOTAL .	2,287,000	2,395,300

55. *Bombay.*—The continuous advance of the expenditure of the Province, while the advance of the revenue was entirely set back by the famine year, has brought a strain upon the finances, irrespective of the direct effect of famine and plague expenditure. The figures may be set out as follows:—

	Revenue Account as modified by Irrigation and Railway figures.	Ordinary Expenditure Account.	Excess of Expenditure.	
	Rx.	Rx.	Rx.	
1892 standard .	2,409,500	2,409,500		
1892-93 . .	2,410,100	2,434,000	6,200	
1893-94 . .	2,475,200	2,455,700		
1894-95 . .	2,480,000	2,526,500		
1895-96 . .	2,604,900	2,560,200		
1896-97 . .	2,403,200	2,588,900	185,700	
1897-98 . .	2,483,600	2,605,400	121,800	
1898-99 . .	2,560,800	2,534,600	26,200	(Excess of Revenue.)
1899-1900 . .	2,578,400	2,604,700	26,300	(Excess of Expenditure.)

The above figures exclude all direct Famine and Plague expenditure, and shew that the revenue and expenditure were in equilibrium for the first four years of the period under review, but that in the next two (the years of calamity), by reason of the falling-off in revenue, without an intermission of the increase in expenditure, the Provincial balance had to bear a reduction of Rx. 307,500.

The actual condition of the account till the end of 1897-98 was as follows:—

	Rx.	Rx.
Balance, March 31, 1892		407,000
Reduced by excess of ordinary expenditure—		
1892-93 to 1895-96	6,200	
1896-97	185,700	
1897-98	121,800	
		313,700
		93,300
Further reduction by direct famine and plague expenditure not included in the above—		
1896-97	35,400	
1897-98	191,500	
		226,900
Net over-expenditure of balance till 31st March 1898 .		133,600
Cancelled by general grant-in-aid in 1897-98 of . . .		183,600
Leaving credit balance on 31st March 1898 of . .		50,000

The Revised Estimates for Bombay for 1898-99 shew:—

Revenues Account	2,554,900	Surplus on ordinary account Rx. 26,200.
Irrigation and Railway Account . . .	+ 5,900	
Expenditure Account, excluding Plague and Famine	2,534,600	
Plague and Famine Expenditure . . .	354,800	

56. Putting the figures of the various provinces together, the following shews the facts up to March 31, 1898:—

Statement in Rx.	Famine and Plague Expenditure (direct). From Imperial sources.	From Provincial and Local sources.	Grants-in-aid by Imperial to Provincial.
Central Provinces	1,640,245	8,820	256,700
Burma	54,975	63,336	...
Assam	...	...	80,000 (*a*)
Bengal	576,821	553,951	...
North-Western Provinces	2,064,025	...	263,600
Punjab	27,502	157,920	...
Madras	732,995	228,601	...
Bombay	1,242,760	27,887	183,600

(*a*) For earthquake.

57. The Government of Bombay, both in respect of its Provincial account and in respect of its Municipalities, have been very hardly pressed by plague expenditure. They have submitted to us an examination of the financial condition of their principal Municipalities, and we have agreed to their giving out of their general revenues relief to their Municipalities to the extent of Rx. 228,078, of which the greater part goes to the City Corporation. Including this grant from their revenues, the Government of Bombay will have spent in direct charges of famine and plague—

	Famine. Rx.	Plague. Rx.	Total. Rx.
1896-97	24,000	11,400	35,400
1897-98	...	191,500	191,500
1898-99	24,800	330,000	354,800
Total			581,700

Out of the expenditure of the first two years, aggregating Rx. 226,900, the Provincial Government have met out of their ordinary revenues Rx. 43,300, and the balance Rx. 183,600 has been made up by special contributions by Imperial; in the same way its balance of Rx. 50,000, and Rx. 26,200, its surplus of 1898-99, fall far short of the charges Rx. 354,800 of 1898-99, and it is necessary for the Imperial Government to make a further grant-in-aid of Rx. 278,600 leaving the province, on April 1899, with an opening balance of *nil*. The total direct expenditure on plague and famine which has been borne by the province comes to Rx. 43,300 in the first two years and Rx. 76,200 in the last, or Rx. 119,500 in all.

It is anticipated that Rx. 126,400 of Plague expenditure will be incurred in Bombay in 1899-1900, and an equal amount of grant-in-aid from Imperial to Provincial has been estimated for in that year.

58. The grants shewn in the above paragraphs may be regarded as grants in the ordinary way of business, that is, grants made on the principle that in any case of extreme calamity, when Local aid has been exhausted, the charge must fall, as far as possible, on Provincial resources, and when they are exhausted the Imperial Government must bear the burden; and I think a liberal interpretation has been given to this Imperial responsibility, for we have taken over the direct Provincial expenditure on famine and plague of the two Provinces most affected by plague, without insisting upon their first defraying any part of it out of their own balances, and it is our desire at present to go still farther. On one or two past occasions, when Imperial finances have been subjected to great stress, we have called upon the Provincial Governments to give us aid out of their resources,

and under present circumstances, when Imperial finance by the recovery of exchange and from other causes is prosperous, and Provincial finance has been sore smitten by the consequences of famine and plague, we consider that a portion of our surplus cannot be better employed than in restoring the financial condition of the various provinces and relieving them from the financial difficulties which accompany the emergence from a state of famine and plague, so as to enable them to carry on their ordinary administration and meet their ordinary administrative necessities.

59. In the case of Bombay, though, as above described, we have made large grants towards the direct expenditure on famine and plague, yet the effect of these two calamities is still shewn in the falling-off in revenue and in indirect expenditure (on police and the like) which accompanies plague measures. We propose on these considerations to make to Bombay a grant of Rx. 150,000.

60. Bengal has not been affected by plague expenditure to anything like the same extent as Bombay; but, on the other hand, its finances have suffered from the very large extent to which the famine expenditure was met from Provincial and Local resources. We propose to make to it a similar grant of Rx. 150,000. This is in addition to the assistance already undertaken to be given from Imperial sources towards the European General Hospital at Calcutta, and also in addition to Rx. 20,000 mentioned in paragraph 51.

61. In Assam the only immediate difficulties arise in connection with earthquake damages. Towards this we have already given Rx. 160,000, and the Chief Commissioner has asked for Rx. 67,500 more. We propose now to close this account by a grant of Rx. 100,000.

62. The accounts of the Central Provinces are weighted only in respect of the very small balance it at present possesses, and the Estimates of 1898-99, as already stated, produces a deficit of Rx. 11,200; we propose to make it a grant of Rx. 50,000.

63. The claim of Madras arises mainly in respect of the fact that, at the last revision of the Provincial contracts, a larger resumption of revenue was made from it than from any other province. We propose to make a grant to it of Rx. 100,000, besides the above mentioned grants for the Famine and Plague expenditure, namely, Rx. 50,700 in 1898-99 and Rx. 64,100 in 1899-1900.

64. Burma in our opinion requires no assistance, nor, if we make a strict reckoning, do the North-Western Provinces or the Punjab. But the expenditure in these two provinces has been limited by the consideration of their general financial position, and they have also had to bear some expenditure, both direct and indirect, upon plague. We propose to give to the former a grant of Rx. 100,000, and to the latter a grant of Rx. 50,000.

65. All these amounts will be granted in the accounts of the year 1898-99, and the same amount (less the excess expenditure in the Central Provinces, Assam, Bengal, Madras, and Bombay already provided for by the Provincial Governments in their estimates) will be entered in the Estimates of 1899-1900 as expenditure out of Provincial balances under the head of Civil Works,—not as an invitation to the several Local Governments to expend the amounts in that year, but as a permission to them to do so (by re-appropriation or otherwise), if on a consideration of their general financial position and of the necessity of keeping a balance in hand, they deem it advisable. The amounts thus entered include in the case of Bengal and Madras the payments they may make against the grants of Rx. 20,000 and Rx. 30,000 referred to in paragraphs 51 and 54. The Provincial Governments should, however, bear in mind that the grants now made are grants made once for all, and that it will be dangerous for them to take them as warranting any expenditure of a recurring character; also that the Government of India in making the grants admits against itself no liability to make

good to Provincial Governments the loss or expenditure incurred by them in respect of the kinds of expenditure to which it has had regard in assessing the distribution of the grants; but admits merely that as in times of Provincial financial prosperity it has called upon the provinces to come to the aid of the general exchequer, so in times of Imperial financial prosperity it is reasonable and expedient that it should depart from a strict interpretation of its financial relations to the Provincial Governments and aid them when at the same time they have had, and have, special financial misfortunes pressing on them. Perhaps I may refer in this connection to paragraphs 127, 128, and 129 of Major Baring's (Lord Cromer's) Financial Statement of 1883.

66. These several free grants, as they may be called, are specially entered in the figures attached to the Financial Statement and are in addition to those entered at the end of the statement in paragraph 47. They are:—

	Rx.
Central Provinces	50,000
Assam	100,000
Bengal	150,000
North-Western Provinces	100,000
Punjab	50,000
Madras	100,000
Bombay	150,000
TOTAL	700,000

67. We have made fairly ample provision next year, namely, Rx. 126,400 in connection with the estimates of Bombay, Rx. 64,100 in Madras, and Rx. 209,500 not yet appropriated, for expenditure on combating the plague, which we may not unlikely have to meet in the future out of Imperial resources as we have done in the past. But we are not prepared, in a general way, to pay, out of Imperial resources, all the direct expenditure which the plague may cause, or to relieve Municipalities and other Local Bodies from the burden which necessarily falls upon them in respect of sanitary and medical expenditure caused by the approach or the advent of plague. Still less can we undertake to make up to Provincial Governments the excess expenditure which may have to be incurred under Police or in the other ordinary departments of Provincial Administration, or invite them to deal with ordinary administrative demands upon them with the same freedom which might be possible and even advisable, were we not all in the presence of a threatening calamity that necessitates our husbanding our resources as far as is possible.

TWENTY YEARS' FINANCE.

68. Following up a purpose which I set before myself in last year's Financial Statement, I published, contemporaneously with the Finance and Revenue Accounts of last year, a summary of these accounts for the twenty years ending March 31, 1898. The summary was necessarily a statement of figures only, with no attempt at criticism, and I desire here to give some continuous account of the results which the figures shew, and explain where our Revenue and Expenditure have during these twenty years increased or decreased. The plan I adopt is to take one set of figures as the standard of the Revenue and Expenditure at the beginning of the period (or rather, say, for the year 1879), and another set as representing the standard for 1896 (that is, before the famine burst on the land). These seventeen years may be taken as a period of practically continuous financial history.

69. For the first of these two standards I take the average of the figures of 1878-79 and 1879-80. If we eliminate the war figures of these two years, which

in a comparison such as the present ought to be excluded, we obtain the following figures:—

		1878-79. Rx.	1879-80. Rx.
Surplus or Deficit		+ 2,134,098	— 1,227,893
War Expenditure, India		600,109	4,591,644
„ England	£	76,110	174,480
Surplus if war be excluded		2,810,317	3,538,231

But we have still further to modify these figures by reason of the fact that they did not provide for the full famine liability of Rx. 1,500,000, the Famine Insurance being at the time in suspense, owing to the heavy war expenditure. This consideration adds Rx. 1,187,177 and Rx. 1,396,353 to the expenditure and reduces the surpluses to Rx. 1,623,140 and Rx. 2,141,878; or an average of Rx. 1,882,509.

That is, if we exclude consideration of war expenditure, and if we take Rx. 1,500,000 as the proper annual measure of famine liabilities, we had in 1879 a surplus of revenue of Rx. 1,882,500.

70. To find the similar figure for 1896, I take the figures of the Budget of that year which may be taken as expressing the standard of Revenue and Expenditure at the time. They are as follows, namely:—

		Rx.
Revenue in India (Budget)		97,316,800
Expenditure, England, net (Budget)	£	15,735,300
Exchange (according to rate actually realized)		10,222,300
India (Budget), less Rx. 20,000 war		69,368,500
Add—Amount wanting to make up Rx. 1,500,000 Famine Insurance		500,000
Total		95,826,100
Surplus of Revenue		1,490,700

71. We have therefore, comparing the standard of 1879 with that of 1896, a slightly worse position in the latter of the two years. I have made a careful analysis both of the increase of Revenue and of the increase of Expenditure between the two years, and I find it to be as follows:—

Imperial Account.

	Rx.	Rx.	Rx.
Increase of Revenue under Salt, Customs, Tributes and Miscellaneous	...	3,810,000	
Imperial Share of Increase of Revenue under Revenues provincially administered	...	5,429,400	
Increase of net Revenues under Post Office, Telegraph, and Mint	...	457,400	
Improvements under Debt Services, Railways, and Irrigation (excluding consideration of exchange)	6,327,500		
Deduct—Loss by exchange charged against Railway Liabilities	2,608,300		
		3,719,200	
Famine Insurance reduced in account by transfer to the preceding head of charges for interest on Indian Midland and Bengal-Nagpur Railways	...	401,500	
Cessation of Railway Construction out of Revenue	...	845,800	
Total available Improvement	...	...	14,663,300

Absorbed as follows:—	Rx.	Rx.	Rx.
Deterioration of Opium Revenue .	...	3,679,800	
Addition to charges for exchange. (Rate diminished from 19·85 pence to 14·45 pence)	7,337,300		
Deduct—Amount taken to Railway Account	2,608,300		
		4,729,000	
Deficit on Civil Administration of Upper Burma	...	455,300	
Army Services: net Charges increased from Rx. 16,693,700 to Rx. 22,167,800 (irrespective of exchange)	...	5,474,100	
Charges under "Political" increased from Rx. 427,100 to Rx. 898,700 .	...	471,600	
Civil and Miscellaneous charges in India increased from Rx. 1,189,200 to Rx. 1,541,300	352,100		
Less—Savings by decrease under Assignments and Territorial Pensions and Stationery . . .	223,800		
		128,300	
Sterling Expenditure other than Army, Debt Services, and Railways increased (excluding exchange) from £2,486,400 to £2,920,200 . .	...	433,800	
Total .	...	...	15,371,900
Excess of demand over available means	...	...	708,600

Provincial Account.

Increase of Provincial share of Revenue under Revenues provincially administered (*a*)	...	4,102,700	
Increase in net charges for Provincial Civil Administration from Rx. 14,374,900 to Rx. 18,160,800	...	3,785,900	
Balance of increase of Revenue not absorbed	...	...	316,800

(*a*) That is, ½ of Land Revenue and of Excise: ½ of Assessed Taxes, Forest, and Registration: ¼ of Stamps.

The deterioration on Imperial Account, Rx. 708,600, less the improvement on Provincial Account, Rx. 316,800, gives a net deterioration of Rx. 391,800, namely, a reduction in the surplus of Revenue from the standard of Rx. 1,882,500 in 1879 to that of Rx. 1,490,700 in 1896.

72. This list shews that the resources made available by increased revenue and careful administration have practically been absorbed by (1) Loss of Opium Revenue, (2) Increase of Exchange Charges, (3) Increase of Military Expenditure, (4) Increase of Political Expenditure, (5) Increase of Provincial Expenditure, *i.e.*, of charges of Civil Administration, (6) Net Charges on account of Upper Burma.

73. On the first two of these no remark need be made here; they are misfortunes we have had to accept. The last may also be passed over without remark; the occupation of Upper Burma was a measure forced upon us by

political necessity, apart from any question of finance. The Province will, we trust, shortly meet the expenses of its civil administration, but naturally it does not as yet fully pay its way. The other three heads call for special explanation.

74. The subject of Military Expenditure is too vast to be entered on in detail. A general explanation of its increase was given by Sir Henry Brackenbury in the Budget Debate of 26th March 1896 and by Sir Edwin Collen on the same date in 1897. In respect of their military charges the Government of India feel the same necessity which presses upon all other Military Powers, and which has imposed upon even the most pacific nations increased burdens. Both our military system in its details and our general military and defensive policy are closely linked with those of England; and we cannot escape the necessity of increasing our defensive expenditure in the same way, though not perhaps to the same extent, that England does.

75. In illustration of this point I present the following figures; the English ones are taken from the Statistical Abstract of the United Kingdom, 1882 to 1896, pages 10 and 11 :—

	Defensive Expenditure, United Kingdom. (*a*)			Defensive Expenditure, India. (*b*)
	Army.	Navy.	Total.	Army and Military Works.
	£	£	£	Rx.
1882-83 .	15,133,451	10,259,853	25,393,304	16,928,587
1883-84 .	16,095,326	10,728,781	26,824,107	18,079,134
1884-85 .	18,600,338	11,427,064	30,027,402	16,955,165
1885-86 .	17,027,084	12,660,509	29,687,593	17,340,369
1886-87 .	18,429,272	13,265,401	31,694,673	19,413,293
1887-88 .	18,167,196	12,325,357	30,492,553	20,548,766
1888-89 .	15,919,738	12,999,895	28,919,633	20,305,140
1889-90 .	17,345,812	13,842,241	31,188,053	20,511,504
1890-91 .	17,550,023	14,125,358	31,675,381	20,821,160
1891-92 .	17,258,900	14,150,000	31,408,900	22,570,532
1892-93 .	17,541,700	14,302,000	31,843,700	23,705,932
1893-94 .	17,939,700	14,048,000	31,987,700	23,537,693
1894-95 .	17,899,800	17,545,000	35,444,800	23,966,973
1895-96 .	18,459,800	19,724,000	38,183,800	23,976,714
1896-97 .	18,269,800	22,170,000	40,439,800	24,384,447

(*a*) Excluding Expeditions and Naval Defence Fund.
(*b*) Excluding Special Defences and the following Expeditions: (1) Egypt, (2) Quetta, (3) Burma, (4) Chin-Lushai, (5) Chitral.

76. The result of these figures is to shew that while the Defence Expenditure in the United Kingdom has increased by 59 per cent, that in India has increased by only 44 per cent, even including the increase due to the fall of exchange, which affects Indian Military Expenditure in a special degree, owing to the large proportion of it that is measured by a sterling standard. The statement of expenditure in the United Kingdom is free from disturbance by this cause; while, on the other hand, the increase of Indian expenditure includes Rx. 2,526,000 directly due to this cause alone; and if this amount were excluded, the percentage of increase would be reduced to 29.

	£
Net English Expenditure . .	4,000,000
British Soldiers' pay . . .	1,590,000
Total .	5,590,000
	Rx.
Difference of exchange 19·85*d.* and 14·45*d.*	2,526,000

77. The two most recent measures causing considerable increase of Military Expenditure were the raising of the pay of native soldiers in 1895, and of that of British soldiers in 1898. The former of these concessions had been delayed on financial grounds for a length of time which all our military advisers considered to be open to objection. The second measure, the increase of British soldiers' pay, is the

result of the determination of Her Majesty's Government on a question of general imperial policy.

78. Under the head of Political Expenditure, the increase measured by percentage is even more considerable; in amount it is Rx. 471,600. A few remarks will shew that this increase has been caused solely by the necessities of external policy. Two-fifths of the whole amount arises from the one item of Rx. 180,000 for the subsidy of His Highness the Amir of Afghanistan; and the Afghan Refugees cost at least Rx. 60,000 more. The period under consideration, moreover, has witnessed the rise and development of the Baluchistan Agency, which now accounts for Rx. 130,000 of the outlay charged under this head; the appointment of an Agent on the Perso-Afghan Frontier (Rx. 13,000); the occupation of the Gilgit and Chitral Frontier (Rx. 16,000); and considerable new expenditure, say, Rx. 40,000, in controlling the tribes and employing levies along the North-Western Frontier. The head "Political" contained also in 1896 Rx. 14,000 expended on the African Coast of the Gulf of Aden (the corresponding revenues are under Miscellaneous), and the scheme of Imperial Service Troops has caused a further increase of Rx. 22,000.

79. I pass to the figures shewn against Provincial (including Local) net expenditure, which has increased during the period under review from Rx. 14,374,900 to Rx. 18,160,800. These are the charges of Civil Administration generally, and under such heads increasing outlay is not only justifiable but inevitable, in every country in which civilization is not stationary or retrograding. The system of Provincial finance is based on the theory that the increase in the Provincial share of the Revenues can be set aside for increase of expenditure upon Civil Administration, and that, if the increase is kept within this limit, we have by this limitation, under ordinary circumstances, sufficiently taken into consideration the financial difficulties arising from falling exchange, from the necessities of Military and Political Expenditure, from wars and famines. We proceed, therefore, on the assumption that there is no objection to the Provincial share of the normal growth of Revenue being, as fast as it accrues, spent on administrative improvements. As has often been pointed out, a Provincial Government can do nothing with its money except spend it; it cannot, for example, utilize a surplus for remission of taxation.

Conclusion.

80. The statement which I have laid before the Council exhibits, I think, a very favourable condition of Indian Finance. Some of these favourable elements are, I admit, temporary only, and due in a large measure to a specially active trade; others, however, are permanent and betoken the return of the prosperity and progress which I noted in my Statement of March 1896, and which were so rudely interrupted by the outbreak of famine. The plague, though it is a great anxiety to both Imperial and Provincial Administrations, is, financially speaking, well within our power to cope with, and as the first responsibility for the measures taken in connection with it rests with the Provincial Administrations, I have been particular to examine the position of the Provincial Financial Accounts, and trust that the measures of relief and assistance sanctioned by the Government of India and set out in the statement will enable them to face the difficulties in which they are placed, though I take for granted they do not claim relief from their share in the anxieties which are inseparable from financial administration in India.

PART II.

DETAILS OF THE ACCOUNTS AND ESTIMATES.

Section I.—The Accounts of 1897-98.

Accounts of 1897-98.

81. The Revised Estimate of 1897-98 was framed for a deficit of Rx. 5,283,100; in the closed Accounts this figure rises to Rx. 5,359,211, or Rx. 76,111 worse than was anticipated when the Revised Estimate was framed.

The variations between the figures finally entered in the Accounts of the year and those assumed for the purposes of the Budget and the Revised Estimate are explained in the Appropriation Report published in the *Gazette of India* of the 18th instant.

The following statement compares the Revised Estimates with the Accounts of the year :—

		Revised Estimate.	Accounts.	Accounts, better.	Accounts, worse.
REVENUE.					
India	Rx.	96,262,000	96,139,287	...	122,713
England	£	192,000	193,662	1,662	...
Exchange	Rx.	107,500	109,055	1,555	
TOTAL	Rx.	96,561,500	96,442,004	...	119,496
EXPENDITURE.					
India—					
Imperial, Provincial, and Local	Rx.	77,136,300	76,939,069	197,231	...
Adjustment of Provincial and Local Surplus or Deficit	Rx.	—705,700	—457,678	...	248,022
NET	Rx.	76,430,600	76,481,391	...	50,791
England	£	16,291,000	16,198,263	92,737	...
Exchange	Rx.	9,123,000	9,121,561	1,439	...
TOTAL	Rx.	101,844,600	101,801,215	43,385	...
DEFICIT	Rx.	—5,283,100	—5,359,211	...	76,111

1897-98. General Results.

82. The Revenue in India was less than the sum anticipated in the Revised Estimate by Rx. 122,713, and the Expenditure finally chargeable against that Revenue, after making allowance for the adjustment of the sums by which Provincial and Local Revenues were in surplus or deficit, exceeded the forecast by Rx. 50,791. In India, therefore, the Accounts as a whole turn out worse than the Estimate by Rx. 173,504. Against this must be set an improvement in Revenue in England of Rx. 3,217, and a decrease in Expenditure in England of Rx. 94,176—in all Rx. 97,393, including exchange. The sum of Rx. 76,111, being the difference between the results obtained in India and England, represents the total falling-off in the Accounts as compared with the Revised Estimate of the year.

1897-98. Revenue in India.

83. The Land Revenue actually realised fell short of the Revised Estimate by Rx. 248,658. In the North-Western Provinces the collections were over-estimated by Rx. 157,820, and in Bombay by Rx. 104,384; while in Burma a sum of Rx. 46,270 was collected in excess of the Estimate. Owing to the fact that the largest instalment of Land Revenue falls due towards the close of the financial year, there is at all times a difficulty in making a precise forecast of the March collections, and in the past year the Estimate was also indirectly affected by the

famine, which left it uncertain to the last moment to what extent it would be possible to enforce any given measure of compliance with the revenue demand of the year.

The Opium Revenue proved worse than the Estimate by Rx. 62,528, due to a decline in the exports of Malwa Opium to China. On the other hand, the realisations under Customs show an improvement of Rx. 63,895, and the Railway Revenue rose by Rx. 90,857 owing to a slight increase of traffic on some of the Railways towards the close of the year.

1897-98. Expenditure in India.

84. On the Expenditure side the outlay on Famine Relief during the last weeks of the year was less by Rx. 66,112 owing to the cessation of operations earlier than had been anticipated. In the Railway Revenue Account there was a saving of Rx. 125,704 on the Revised Estimate mainly under Working Expenses. Army Expenditure shows an excess of Rx. 62,239 due to increased payments to Native Troops on account of compensation for dearness of provisions and forage.

1897-98. Revenue and Expenditure in England.

85. The reduction in Expenditure in England of £92,737, or including Exchange Rx. 94,176, consists for the most part of a saving under Army Charges of £67,773. The increase in Revenue in England comes to the trifling sum of £1,662, or including Exchange Rx. 3,217, and consists mainly of recoveries on account of stores.

86. The Expenditure not charged to Revenue amounted to Rx. 4,328,541 as compared with Rx. 4,604,600 entered in the Revised Estimate.

Section II.—Revised Estimate of 1898-1899.

1898-99. Statement of the gross figures.

87. The following is a general comparison of the Budget Estimates with the Revised Estimates of 1898-99:—

	Budget.	Revised.	Revised, better.	Revised, worse.
REVENUE.				
India . . . . . Rx.	98,791,700	101,217,400	2,425,700	
England . . . . . £	188,300	232,500	44,200	
Exchange . . . . . Rx.	105,400	116,200	10,800	
TOTAL . Rx.	99,085,400	101,566,100	2,480,700	
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	72,610,100	71,603,300	1,006,800	
Adjustment of Provincial and Local Surplus or Deficit . Rx.	—116,800	+1,417,900	...	1,534,700
NET . . Rx.	72,493,300	73,021,200	...	527,900
England . . . . . £	16,474,800	16,323,700	151,100	
Exchange . . . . . Rx.	9,225,900	8,161,800	1,064,100	
TOTAL . Rx.	98,194,000	97,506,700	687,300	
SURPLUS . Rx.	891,400	4,059,400	3,168,000	

1898-99. General features.

88. The leading characteristic of 1898-99 is the rapid recovery of the revenue from the effect of the unfavourable conditions prevailing in the two preceding years. Under all heads of Revenue, except Stamps and Registration, the sums actually realised are largely in excess of the forecast framed a year ago. The general prosperity of the people has added to the receipts under Salt and Customs; abundant harvests have increased the Railway Revenue; Opium has sold for higher prices and has cost less to produce; the burden of famine

relief has been removed; military expenditure has been reduced earlier and to a larger extent than was anticipated; and the charge for exchange has been less by a crore of rupees than that assumed in framing the Budget. The only adverse feature is the revival and extension of plague which has increased the medical expenditure in every Province and injuriously affected some branches of revenue.

1898-99. General Results.

89. The Revenue in India is expected to exceed the Budget Estimate by Rx. 2,425,700, and besides this there will be a reduction of expenditure of Rx. 1,006,800 made up of Rx. 518,600 under Army, Rx. 305,200 under Opium, and Rx. 208,500 under Public Works—Buildings and Roads. Of this total improvement in India of Rx. 3,432,500, Rx. 1,534,700 occurs under Provincial and Local, and Rx. 1,897,800 under Imperial. The Revenue in England shows an increase of £44,200, and the Expenditure a decline of £151,100. Adding to these a reduction of the net charge for exchange by Rx. 1,074,900, the final result is an increase of the surplus of the year by Rx. 3,168,000 from Rx. 891,400 to Rx. 4,059,400.

1898-99. Increase of Revenue in India.

90. The more important increases of Revenue in India occur under the following heads:—

	Rx.
Land Revenue	111,200
Opium	349,600
Salt	319,200
Provincial Rates	92,100
Customs	307,900
Forests	102,400
Miscellaneous	102,100
Railway Receipts	884,200
Irrigation Major Works	193,200

1898-99. Land Revenue.

91. The increase of Rx. 111,200 in the collections of Land Revenue includes the following amounts in excess of the Estimate:—

	Rx.
Burma	100,800
North-Western Provinces and Oudh	52,000
Bombay	33,600

In Burma the continuous expansion of cultivation induced by a fertile soil and light settlements and the revision of assessment-rates have added to the ordinary revenue, and the yield of the Capitation Tax has been raised by the natural increase of population. In the North-Western Provinces and Oudh large sums are expected to be realised on account both of ordinary arrears and of revenue suspended during the famine. The enhanced collections in Bombay include arrears due to plague in some districts and to bad seasons in others; while in Sind the revenue has been raised not only by these causes, but by a favourable inundation greatly extending the area under spring crops.

Account must also be taken of the following decreases:—

	Rx.
Madras	32,100
Central Provinces	35,000
India	10,960

The decrease in Madras is due to a fall in the sales of lands benefited by the Periyar Irrigation Scheme in Madura; the Central Provinces figures are affected by suspensions of revenue and smaller recoveries of arrears; and the decline under India General is caused by the failure of the rains and general scarcity in Ajmir, and by drought, locusts, and low prices in Baluchistan where the Land Revenue is collected in produce.

92. Although the collections of Land Revenue in 1898-99 are expected to exceed the Budget Estimate, the Imperial share of the total collections will be considerably less by reason of the special contributions given in aid of Provincial resources which involve a re-adjustment of the Imperial and Provincial shares of the revenue.

The following table compares the respective shares as they appear in the Budget and Revised Estimates :—

	Land Revenue, Budget of 1898-99.		Land Revenue, Revised Estimates of 1898-99.	
	Imperial share.	Provincial share.	Imperial share.	Provincial share.
	Rx.	Rx.	Rx.	Rx.
Distribution according to Provincial Settlement	16,237,900	11,330,300	16,264,300	11,415,100
Add or *Deduct*—				
Special contribution in aid of Plague and Famine expenditure and of General Resources of Provincial Governments	—150,000	+150,000	—1,129,300	+1,129,300
Distribution according to Estimates	16,087,900	11,480,300	15,135,000	12,544,400

The contribution of Rx. 150,000 entered in the Budget Estimate of 1898-99 includes Rx. 80,000 granted to Assam in aid of expenditure incurred on the repair of Earthquake damages, and Rx. 70,000 to Bombay in aid of Plague expenditure. The amount in the Revised, Rx. 1,129,300, is made up as follows :—

	Rx.
General contribution in aid of Provincial resources as stated in paragraph 66 of this Statement	700,000
Special contribution in aid of Earthquake expenditure in Assam	80,000
Special contribution in aid of Plague expenditure by Local Bodies in Bengal	20,000
Special contribution in aid of Famine and Plague expenditure in Madras (Provincial and Local)	50,700
Special contribution in aid of Famine and Plague expenditure in Bombay	278,600
TOTAL	1,129,300

1898-99. Opium Revenue.

93. The receipts from Opium in Bengal are likely to exceed the estimate by Rx. 264,500, the bulk of which represents the difference between ₹1,090 a chest, the price assumed in the Budget for Bengal Opium, and ₹1,055, the average actually realised. At the same time the quantity sold during the last three months of the year has risen by 450 chests, representing an increase in revenue of Rx. 51,600. More favourable conditions in the China market, aided by the reduction of the pass-duty on Malwa Opium from ₹600 to ₹500 per chest, which took place in October 1897, seem to have brought about a substantial recovery of the trade, though the exports have as yet hardly returned to the

level at which they stood before the great decline of 1896-97 and 1897-98. The result is an increase in the receipts over the estimate of Rx. 84,000.

1898-99. Salt Revenue.

94. Of the increase of Rx. 319,200 under Salt, the sum of Rx. 215,000, which has been realised in Madras, represents mainly the recovery of revenue deferred under the credit system from the previous year. The revenue brought to account during the year has probably also been to some extent enhanced by the fact that the rise in the price of Government paper during the last few months has tended to discourage resort to the credit system and to stimulate cash sales.

The receipts of the Northern India Salt Department show an increase of Rx. 52,200 due partly to normal development, but mainly to the revival of trade in Kohat salt consequent on the pacification of the frontier.

1898-99. Provincial Rates.

95. An increase of Rx. 23,200 in Bengal is due to the receipts under Local having been under-estimated in the Budget. In the North-Western Provinces Rx. 17,100 and in Madras Rx. 22,900 have been added in the collection of arrears, and in Bombay the increase of Rx. 17,600 has followed the rise in Land Revenue.

1898-99. Customs Revenue.

96. Of the rise of Rx. 307,900 under Customs, Rx. 199,100 occurs in Burma, —Rx. 66,200 under Imports, chiefly Manufactured Articles, Liquors, and Articles of Food and Drink, and Rx. 130,000 under Export Duty on Rice. Bengal accounts for Rx. 105,000 distributed over Articles of Food and Drink, Silver Bullion and Coin, Oils, and Liquors; and Bombay shows Rx. 37,000 comprising considerable increases under Oils, Liquors, Silver Bullion and Coin, Articles of Food and Drink, and Excise on Cotton Goods, and substantial decreases under Manufactured Articles and Import Duty on Cotton Goods. A decline of Rx. 34,200 in Madras occurs under Spirits and Liquors, Imported Cotton Goods, and Miscellaneous Exports.

1898-99. Forest Revenue.

97. The increase of Rx. 102,400 under Forests is made up of a rise of Rx. 199,500 in Burma, mainly due to the large demand for, and high market value of teak timber, which has added Rx. 111,500 to the royalty paid by the Bombay-Burma Trading Corporation for the forests from which they derive their supplies. The increase also includes a sum of Rx. 12,000 paid by the same Company in connection with mal-practices committed by their employés. A reduction of Rx. 71,400 in Bombay is ascribed to the depression in trade caused by the continuance of plague, and to the smaller demand for locomotive fuel in Sind and for forest produce in general.

1898-99. Miscellaneous.

98. The increase of Rx. 102,100 under Miscellaneous Revenue includes one sum of Rx. 57,400 recovered from the Burma Railway Company for the value of work done by famine labour on the Meiktila-Myingyan Railway, and another of Rx. 37,500 realised in Madras by the sale of cloth manufactured at Government expense during the recent famine in order to afford relief to weavers in distress.

1898-99. Railway Revenue.

99. The great rise of Rx. 884,200 in Railway Revenue in India is mainly due to the general development of traffic of all kinds which results directly and indirectly from the opening of new sections of line, and to the large export of grain which was rendered possible by the harvesting of good winter crops. The more important increases occur on the following lines:—

	Rx.
North-Western	310,000
Great Indian Peninsula (net)	416,000
Bombay, Baroda and Central India (net)	210,000
East Indian	200,000
Rajputana-Malwa	160,000

and the more important decreases on the following :—

	Rx.
Eastern Bengal	110,000
Southern Mahratta	115,000
South Indian	70,000
Mysore	55,000
East Coast, including Bezwada-Madras	60,000
Madras (net)	55,000

The reduction on the Eastern Bengal State Railway was due to a short jute crop, and that on the Railways in Southern India to the effect of plague on the passenger traffic. The falling-off on the East Coast Railway was caused by delay in opening the Bezwada-Madras Section.

1898-99. Irrigation Revenue.

100. The increase of Rx. 193,200 in Irrigation Revenue is distributed as follows :—

	Rx.
North-Western Provinces and Oudh	56,200
Punjab	120,800
Other Provinces	16,200

In the North-Western Provinces the area irrigated during the past *Kharif* season was larger than had been anticipated. A similar expansion of irrigation occurred on the Bari Doab, Sirhind, and Swat River Canals in the Punjab and on the Deccan and Guzarat Canals in Bombay, while in Sind a better supply of water produced an enhanced demand. The receipts were also raised by the recovery of outstanding balances on the Western Jumna Canal and in the Deccan and Guzarat.

1898-99. Telegraph Revenue.

101. The only decrease of any moment in the revenue of the current year occurs under the head of Telegraph Receipts, which show a falling-off of Rx. 154,800 made up as follows :—

	Rx.
Indian Telegraph	114,400
Indo-European Telegraph	40,400

The falling-off under the former head is due partly to the cessation of military operations on the North-West Frontier, but chiefly to the fact that, since the practice of delivering deferred telegrams by hand instead of sending them by post has been introduced, this class of message has gained greatly in popularity, and has to a considerable extent taken the place formerly occupied by ordinary and urgent messages. The decline in the Indo-European receipts occurs in the message traffic with the Indian Telegraph Department transferred at Karachi.

1898-99. Increases of Expenditure in India.

102. The more important increases of expenditure in India are :—

	Rx.
Medical	327,800
State Railways: Working Expenses	106,100
Guaranteed Companies: Surplus Profits, Land, and Supervision	106,100
Mint	49,000

1898-99. Medical Expenditure.

103. The large increase under Medical is due to the impossibility of making an accurate forecast of the expenditure required to guard against the spread of the plague in new directions, and to combat the disease where it has once become established. The cost of these operations continues to be far heavier in Bombay than elsewhere, and out of the total increase of Rx. 327,800 in the expenditure entered under Medical no less than Rx. 268,200 has been incurred in that province. The following statement gives an estimate of the cost in each province under Imperial, Provincial, and Local heads of the preventive and remedial

measures undertaken in 1896-97, 1897-98, 1898-99, and contemplated in 1899-1900:—

Statement of direct and indirect expenditure connected with the plague under the various heads of Accounts for the years 1896-97, 1897-98, 1898-99, and 1899-1900.

	India.	Central Provinces.	Bengal.	North-Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Accounts, 1896-97.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
3.—Land Revenue	...	...	...	...	...	...	100	100
18.—General Administration	...	...	...	...	...	...	3,100	3,100
19A.—Courts of Law	...	...	...	200	...	...	200	400
19B.—Jails	...	...	100	...	...	...	...	100
20.—Police	...	...	...	100	...	...	900	1,000
24.—Medical	...	200	4,300	500	200	...	13,800	19,000
TOTAL	...	200	4,400	800	200	...	18,100	23,700
Accounts, 1897-98.								
3.—Land Revenue	...	...	...	300	600	...	2,100	3,000
5 and 7—Salt and Excise	...	...	...	...	...	...	100	100
9.—Customs	...	...	...	...	...	...	600	600
11.—Forest	...	...	...	...	...	...	100	100
18.—General Administration	4,100	...	...	...	100	...	9,300	13,500
19A.—Law and Justice, Courts of Law	...	...	...	700	300	200	700	1,900
20.—Police	200	...	1,500	1,100	1,000	100	12,800	16,700
22.—Education	...	...	...	...	...	...	100	100
24.—Medical	6,100	6,000	30,700	23,800	13,400	6,400	210,600	297,000
25.—Political	...	...	...	...	...	...	100	100
30.—Stationery and Printing	...	...	...	...	...	...	1,200	1,200
45.—Civil Works	...	...	...	...	...	...	14,300	14,300
TOTAL	10,400	6,000	32,200	25,900	15,400	6,700	252,000	348,600
Revised Estimates, 1898-99.								
3.—Land Revenue	...	...	...	300	6,500	500	1,700	9,000
5 and 7.—Salt and Excise	...	...	...	...	...	100	...	100
9.—Customs	...	...	...	...	...	...	800	800
15.—Post Office	...	...	...	...	...	100	...	100
18.—General Administration	2,900	...	...	...	100	400	10,400	13,800
19A.—Law and Justice—Courts of Law	...	...	...	300	2,400	100	700	3,500
20.—Police	700	...	4,000	7,000	9,500	600	16,800	38,600
24.—Medical	16,000	17,200	15,600	19,800	29,600	56,500	354,200	508,900
25.—Political	...	...	...	...	...	...	300	300
30.—Stationery and Printing	600	...	...	...	...	...	1,400	2,000
45.—Civil Works	...	...	...	...	...	...	3,800	3,800
TOTAL	20,200	17,200	19,600	27,400	48,100	58,300	390,100	580,900
Budget Estimate, 1899-1900.								
3.—Land Revenue	...	...	...	...	...	4,100	1,100	5,200
5 and 7.—Salt and Excise	...	...	...	...	...	700	...	700
9.—Customs	...	...	...	...	...	...	400	400
15.—Post Office	...	...	...	...	...	100	...	100
18.—General Administration	1,700	...	...	...	...	400	10,500	12,600
19A.—Law and Justice, Courts of Law	...	...	...	...	...	400	...	400
20.—Police	1,400	...	8,800	5,000	...	2,900	13,800	31,900
24.—Medical	223,500	17,800	5,000	20,800	5,500	139,100	152,000	563,700
25.—Political	...	...	...	...	...	...	100	100
30.—Stationery and Printing	1,000	...	...	...	...	...	1,500	2,500
TOTAL	227,600	17,800	13,800	25,800	5,500	147,700	179,400	617,600
GRAND TOTAL, FOUR YEARS	258,200	41,200	70,000	79,900	69,200	212,700	839,600	1,570,800

104. The Statement illustrates the gradual spread of plague since its first appearance in Bombay in 1896-97. In that year the measures undertaken to check the progress of the disease cost Rx. 23,700, of which Rx. 18,100 was spent in the area where it was actually prevalent, the balance representing outlay on railway inspection and similar measures designed to guard against its extension to provinces not then infected. In 1897-98 the total expenditure rose to Rx. 348,600, including Rx. 252,000 in Bombay and Sind. In addition to this, Bengal devoted Rx. 32,200 to the development of protective measures on lines of railway and to watching arrivals from infected areas; the North-Western Provinces and Oudh spent Rx. 25,900 in suppressing the outbreak of plague at Hardwar; and the Punjab spent Rx. 15,400 on preventive operations in the districts of Jullundur and Hoshiarpur. In 1898-99 there was a further increase of the total expenditure, as shown in the Revised Estimate, to Rx. 580,900, including Rx. 390,100 in Bombay, Rx. 58,300 in Madras where the plague has appeared in several districts, Rx. 48,100 in the Punjab, Rx. 27,400 in the North-Western Provinces, Rx. 19,600 in Bengal where protective arrangements were maintained and an outbreak occurred in Calcutta, and Rx. 20,200 under India General which includes the cost of combating the outbreak in Bangalore.

105. The estimate for next year amounts to Rx. 617,600, and provides for an increase of expenditure in Madras from Rx. 58,300 to Rx. 147,700; while the charges in Bombay are taken at Rx. 179,400, or Rx. 210,700 less than the Revised figures of the current year. A provision of Rx. 209,500 has been made under India General in order to meet requirements which cannot now be foreseen.

106. During the four years covered by the Statement the total expenditure by Government and District Funds in India amounts to Rx. 1,570,800, to which must be added £22,560 (including Exchange Rx. 34,862) spent in England on payments to doctors and nurses engaged for service in India. Even where plague itself has not appeared the necessity of maintaining inspection camps on the chief lines of communication imposes a severe burden on Provincial finances and strains the resources of the medical staff. The Statement takes no account of the heavy expenditure incurred by Native States and Municipalities except in so far as it includes grants made by the Bombay Government in aid of municipal outlay on plague.

The expenditure from the Home Treasury on account of pay, passage, etc., of medical officers and lady nurses in each of the four years has been or will be as follows:—

	Sterling. £	Exchange. Rx.	Total. Rx.
1896-97	1,013	669	1,682
1897-98	11,247	6,333	17,580
1898-99 (Revised)	5,300	2,700	8,000
1899-1900 (Budget)	5,000	2,600	7,600
TOTAL	22,560	12,302	34,862

1898-99. State Railways: Working Expenses.

107. The rise in the Working Expenses of State Railways represents for the most part the cost of earning the increased revenue mentioned in paragraph 99 above. It is due chiefly to the heavier traffic worked, the greater lengths of mileage open, and to more extensive renewals of stock and permanent-way. Some lines have also had to provide for special repairs of the damage caused by the earthquake of 12th June 1897 and by floods. The more important increases occur on the following Railways:—

	Rx.
East Indian	190,000
Rajputana-Malwa	90,000
Assam-Bengal	36,000

These are, however, to some extent counterbalanced by a decrease in the Working Expenses of the other lines noted below:—

	Rx.
North-Western	100,000
East Coast, including Bezwada-Madras	40,000
Southern Mahratta	35,000
Mysore	23,000
Oudh and Rohilkhand	20,000

1898 99. Guaranteed Companies: Surplus Profits, Land, and Supervision.

108. The increase of expenditure under Surplus Profits, Land, and Supervision is made up of an increase under Surplus Profits of Rx. 197,200 and a decrease under Land and Supervision of Rx. 91,100. Under the former head no provision was made in the Budget Estimate for the payment of surplus profits to the Madras Railway Company, and the goods earnings of the Bombay, Baroda and Central India and the Great Indian Peninsula were under-estimated. The charges under Land and Supervision are reduced owing to less land being taken up for the Calicut-Cannanore Branch in Madras and certain minor lines in Bombay than had been originally expected.

1898-99. Mint Expenditure.

109. The increase in Mint expenditure occurs partly under temporary establishment and overtime allowances for the recoinage of Bhopal and Kashmir rupees—an outlay more than counterbalanced by an increase in the Mint receipts. But the major portion of the increase is due to a loss of Rx. 40,000 on copper coinage in 1898-99. The gain or loss on copper coinage represents the difference between the face value of the coins actually put into circulation and the cost of making and distributing them. Of the enormous quantity of copper coin issued in the famine years for relief payments, a large proportion is now returning from circulation because it is in excess of the normal requirements of the people. The Estimate provides for the resulting loss on the coins so returned.

1898-99. Decreases of Expenditure in India.

110. The more important decreases of expenditure occur under the following heads:—

	Rx.
Land Revenue	59,600
Opium	305,200
Salt	53,400
Education	60,300
Political	83,000
Subsidised Railway Companies: Land and Subsidy	81,200
Civil Works	208,500
Army	518,600

1898-99. Land Revenue Expenditure.

111. The decrease of Rx. 59,600 under Land Revenue occurs for the most part under the heads of Salaries, Exchange Compensation Allowance, Establishments, and Savings under Survey and Settlement in the North-Western Provinces, the Punjab, and Burma. The decrease of Rx. 15,400 in Madras is mainly under Local, and arises from delay in giving effect to a scheme for raising the pay of village accountants.

1898-99. Opium Expenditure.

112. Under Opium the reduction of Rx. 305,200 in the estimated expenditure is almost wholly under Payments to Cultivators, which vary from year to year with the yield of the crop. The greater part of it occurs in Behar, where the sums likely to be required seem to have been greatly over-estimated.

1898-99. Salt Expenditure.

113. Of the decline of Rx. 53,400 under Salt, Madras accounts for Rx. 25,100, more than half of which is under the Purchase and Freight of Salt. A decrease of Rx. 12,500 in Bengal is due to the whole of the Preventive Staff sanctioned for Orissa not having been appointed during the year. A similar decline in the expenditure of the Northern India Salt Department is due to smaller payments of salaries, reduction of charges for manufacture, and to the abolition of the Indus Preventive Line.

1898-99. Education Expenditure.

114. The decline of expenditure on Education is largest in Bengal (Rx. 17,200), owing to the charges on account of salaries being over-estimated, and in Bombay (Rx. 12,700) where the outlay was affected by the prevalence of plague.

1898-99. Political Expenditure.

115. Of the reduction of Rx. 83,000 under Political Expenditure, more than half is due to the subsidy to the Amir of Kabul not having been drawn in full. An apparent saving is also caused by the charges for the escort of the Burma-China Boundary Delimitation Commission being adjusted in the Military Accounts.

1898-99. Subsidised Railway Companies; Land and Subsidy.

116. The decrease in the payments to Subsidised Railway Companies occurs wholly in the item of land, and is due to the programme of the year not having been worked up to in the case of the Bengal and North-Western, Bhagalpur-Baidyanath, Mymensingh-Jamalpur, Amritsar-Sarhali, Jullundur-Hoshiarpur, and several other Railways.

1898-99. Civil Works.

117. Of the entire saving of Rx. 208,500 anticipated under the head of Civil Works, Rx. 118,800 occurs in the Local Section of the Estimates, and is due partly to the failure of District Boards to work up to their estimates, and partly to the estimates themselves having been revised in Bombay and Madras in order to provide funds for plague purposes. The former cause accounts for differences of Rx. 35,000 in Bengal, Rx. 21,400 in the North-Western Provinces and Oudh, and Rx. 12,400 in Burma; and the latter for decreases of Rx. 26,100 in Bombay, and Rx. 22,000 in Madras.

In the Provincial Section the savings amount to Rx. 69,600, of which the North-Western Provinces and Oudh contribute Rx. 9,000, Bombay Rx. 13,500, and Madras Rx. 18,400. In the North-Western Provinces the decrease is due partly to expenditure proceeding at a slower rate than was expected, and partly to the transfer of the Ghazipur Steam Ferry to the Bengal and North-Western Railway. In Bombay grants were reduced on general financial grounds after the Budget was passed, and in Madras savings were caused by a transfer to the Educational Department and by the non-payment of grants to Municipalities for water-supply projects.

1898-99. Army Expenditure.

118. The large decrease of Rx. 518,600 in Army Expenditure in India comprises the following important reductions:—

	Rx.
Military operations and special services due to the demobilisation of the Tirah Expeditionary Force in April 1898, and the substitution of the Khyber Brigade with moveable column for the Khyber Force as originally constituted	291,100
Saving on Exchange Compensation Allowance owing to the rise in exchange	41,200
Reduced expenditure under Army and Garrison Staff and Regimental Pay and Allowances with reference to recent actuals	24,500
Saving arising from the short strength of the Army	55,700
Saving on account of Troops serving in East Africa and Mauritius and charged to the Imperial Government	33,400
Transfer to the Civil Estimates of charges for the pay of officers on plague duty	24,100
Lapse of provision for increase of Commissariat-Transport Officers	20,000
Reduced price of food and forage	65,000

119. One cause of saving which affects not only Army Expenditure, but most of the important heads of Expenditure in India, is the rise in the rate of exchange, on the basis of which the Exchange Compensation Allowances have been calculated. The average rate assumed in the Budget Estimate of 1898-99 for this calculation was $15\frac{1}{2}d.$; but the four quarterly rates with reference to which the allowances have been actually paid are $15\frac{29}{32}d.$, $15\frac{31}{32}d.$, $15\frac{27}{32}d.$, and $15\frac{31}{32}d.$, yielding an average for the whole year of $15\frac{59}{64}d.$ The consequent saving amounts to Rx. 119,000. *1898-99. Exchange Compensation Allowances.*

120. The Sterling receipts are expected to exceed the Budget Estimate by £44,200. The three important items composing this increase are: £18,000 under Interest on temporary investments of Cash Balance, the rates of interest realised being higher; £9,000 representing larger miscellaneous receipts connected with the supply of stores to India; and £10,400 under Army receipts, mainly in the value of articles in possession of Regiments on their transfer from the Indian to the British Establishment. *1898-99. Revenue in England.*

121. The Sterling expenditure is expected to be less than the Budget Estimate by £151,100. The important variations comprising this difference are (1) a reduction of £83,300 in the charge for interest on loans; (2) a saving of £145,200 in the Army effective and non-effective charges; and (3) increases of £36,300 and £24,400, respectively, under Civil Furlough Allowances and Military Works. *1898-99. Expenditure in England.*

The Interest charges are less by £83,300, of which £35,400 represents a decrease in interest on India 2½ per cent Stock owing to the loan this year not having been issued so early as was expected; £44,900 comes under reduction in interest on India Bills, due to a smaller amount of Bills being issued; while in addition to these savings, £10,000 provided to meet interest on temporary loans from the Bank of England was not required. On the other hand, the discount on the loan of £6,000,000 India 2½ per cent Stock issued in July 1898 amounted to £702,300. As this sum is exceptionally large, it has been decided to depart from the usual practice of entering the whole of it as a charge on the Revenue of the year, and to reduce the amount of debt incurred in excess of the money actually raised by means of a Discount Sinking Fund spread over 50 years, the rate of interest adopted in the calculation for the Sinking Fund being 2½ per cent. A sum of £7,000 has accordingly been entered in the Revised Estimate as the first investment towards this Sinking Fund.

As regards Army charges, the reduction in the demands for stores—mainly Ordnance stores—amounted to £105,000, and the payments for pay and pensions of non-effective and retired officers of the Indian Service and for furlough allowances of officers of that service are expected to be less than the Estimate by £88,000. On the other hand, arrear payments of £34,500 due to the War Office for effective and non-effective Army charges of the year 1897-98 have been made in the current year; there has also been an excess charge of £17,000 under the head of Troop Service.

The payments for Civil Furlough and Absentee Allowances have exceeded the Estimates owing to the exceptionally large number of officers on furlough, and the demands for stores required for the Bangalore Water-works have swelled the expenditure on account of Military Works.

122. The net charge for Exchange on Sterling expenditure is less than in the Budget Estimate by Rx. 1,074,900. The net Sterling expenditure is less by £195,300, and the Exchange on this difference at the rate of £1 = R 15·6, the rate of the Budget Estimate, is Rx. 109,400, which is the saving in Exchange due to the decrease in Sterling payments. The direct saving from the rise in the rate of Exchange from £1 = R15·6 to £1 = R15 is, therefore, Rx. 965,500. *1898-99. Exchange.*

Section III.—Budget Estimate of 1899-1900.

1899-1900. Statement of the gross figures.

123. The following is a general comparison of the Budget Estimate of 1899-1900 with that of 1898-99:—

		1898-99.	1899-1900.	1899-1900, better.	1899-1900, worse.
REVENUE.					
India	Rx.	98,791,700	101,645,900	2,854,200	
England	£	188,300	207,100	18,800	
Exchange	Rx.	105,400	108,500	3,100	
TOTAL	Rx.	99,085,400	101,961,500	2,876,100	
EXPENDITURE.					
India—					
Imperial, Provincial, and Local	Rx.	72,610,100	73,762,600		1,152,500
Adjustment of Provincial and Local Surplus or Deficit	Rx.	—116,800	—924,700	807,900	
NET	Rx.	72,493,300	72,837,900		344,600
England	£	16,474,800	16,531,600		56,800
Exchange	Rx.	9,225,900	8,659,400	566,500	
TOTAL	Rx.	98,194,000	98,028,900	165,100	
SURPLUS	Rx.	891,400	3,932,600	3,041,200	

1899-1900. Main features.

124. The year opens with fair promise. Except in limited areas in the Central Provinces and the Punjab the agricultural prospects are good, and the bulk of the population have returned to the standard of living which prevailed before the scarcity compelled them to reduce their consumption of all but absolute necessaries. An expansion is accordingly looked for under all the principal heads of Revenues, except Registration fees, which are really payments for services rendered; and Railway receipts, which are a good test of general prosperity, are expected to show a corresponding increase. The only serious rise of expenditure is in the medical charges connected with the plague: the other increases represent improvements of administration, or outlay required to earn increased revenue.

1899-1900. General Results.

125. The Revenue in India is expected to exceed the estimated receipts of 1898-99 by Rx. 2,854,200, while the Expenditure, after allowing for the adjustment of Provincial and Local surpluses or deficits, will be increased by Rx. 344,600. In England an improvement of £18,800 in Revenue is anticipated against a rise in Expenditure of £56,800. At the same time the net charge for exchange will be reduced by Rx. 569,600, so that the combined account works out to a surplus of Rx. 3,932,600, being Rx. 3,041,200 in excess of the estimated surplus of 1898-99.

1899-1900. Increases of Revenue in India.

126. The following are the most important increases of Revenue in India:—

Land Revenue	73,700
Opium	673,900
Excise	60,900
Provincial Rates	91,500
Customs	58,200
Assessed Taxes	55,900
Forest	55,100

Railways—	
State, Gross Receipts	854,500
Guaranteed, Net Traffic Receipts	768,500
Irrigation—	
Major Works—Direct Receipts	139,800
Land Revenue due to Irrigation	71,100

127. The growth of Land Revenue is most marked in Burma, where Rx. 107,900 is expected to accrue from revision of assessments and increase in cultivation. In the North-Western Provinces and Oudh Rx. 110,300 will be gained by enhancements of revenue resulting from the regular revision of settlements. An increase of Rx. 34,300 in the Central Provinces is due to provision having been made for the recovery of famine arrears. Decreases of Rx. 113,500 in Madras and of Rx. 25,400 in Bombay are caused by the reduction of the arrear balances which swelled the receipts in the current year added in the latter case to a less favourable inundation in Sind. *1899-1900. Land Revenue.*

128. The Estimate anticipates an increase of Rx. 587,300 in the Opium Revenue in Bengal. Prices show an almost unbroken rise throughout the past year; the average per chest has gone up from R1,023 in 1897-98 to R1,055 in the current year and the price realised at the sale of March 1899 is R1,149 against R948 at the same time a year ago. R1,100 has accordingly been taken as the average price for the ensuing year. In Bombay it is assumed that the revival of the trade in Malwa Opium, which has followed on the reduction of duty, will continue unabated, and that the number of chests exported will be the same as in the current year. On this basis an increase in revenue of Rx. 84,000 is looked for. *1899-1900. Opium Revenue.*

129. The Excise Revenue has been slow to recover from the depression caused by the famine, and the Estimate anticipates only the moderate increase of Rx. 60,900. To this the North-Western Provinces and Oudh contributes Rx. 67,500 due to the normal growth of revenue and to the introduction of administrative reforms, while Burma, Bengal, and Bombay look forward to increases of about Rx. 25,000 apiece. On the other hand, the actuals of the current year in Madras point to a decline in revenue which is estimated at Rx. 110,000. *1899-1900. Excise Revenue.*

130. Of the increase of Rx. 91,500 under Provincial Rates, Bengal contributes Rx. 38,700 arising from the completion of revaluations in the Districts of Dinajpur and Backerganj. In Madras an increase of Rx. 21,600 is looked for from Village Service Funds. *1899-1900. Provincial Rates.*

131. In Bengal an increase of Customs Revenue, amounting to Rx. 55,000, is anticipated, mainly under Liquors, Articles of Food and Drink, and Silver Bullion and Coin. In Burma an aggregate improvement of Rx. 51,200 is expected under Export Duty on Rice and various heads of Import Duty, specially Liquors, Articles of Food and Drink, and Manufactured Articles. The Estimate for Madras shows a decline of Rx. 34,200, chiefly under Liquors, Imported Cotton Goods, and Exports. *1899-1900. Customs Revenue.*

132. The increase under the head of Assessed Taxes is largest in Bengal (Rx. 25,000) and in Madras (Rx. 15,000), and is due to progressive revision of the assessments and to general improvement in the administration of this head of revenue. *1899-1900. Assessed Taxes.*

133. An increase of Rx. 69,700 under Forest Revenue anticipated in Burma really represents a decline from the abnormal receipts for which credit has been taken in the Revised Estimates. The demand for teak at the present high prices is expected to fall off; the Bombay-Burma Trading Corporation will reduce their exports of timber from the Pyinmana forests, and the revenue obtained in the form of royalty will be diminished in proportion. *1899-1900. Forest Revenue.*

1899-1900. Railway Revenue.

134. The Railway Revenue of the coming year is estimated at Rx. 1,623,000 in excess of the amount taken in the Budget of 1898-99. The forecast is justified by the excellent promise of the spring crops and by the additional mileage likely to be opened for traffic during the year.

1899-1900. Irrigation Revenue.

135. The Estimate of Irrigation Direct Receipts for 1899-1900 is based upon the normal expectations of Revenue, and anticipates a falling-off from the exceptionally high returns indicated by the Revised Estimate of the current year. As compared with the Budget of 1898-99, it provides for an increased Revenue of Rx. 139,800, which includes an increase of Rx. 80,200 in the Revenue from the Canals in the Punjab, and Rx. 54,100 from Canals in the North-Western Provinces and Oudh, due in each case to the growth of the demand for canal irrigation.

1899-1900. Decrease of Revenue.

136. The only important decrease of Revenue in India occurs under Telegraph Receipts, which show a falling off of Rx. 130,400 as compared with the Budget of 1898-99. This, however, represents an advance of Rx. 24,400 on the Revised Estimate of the current year, and indicates that the growth of operations in India is overtaking the decrease of Revenue brought about for the time being by the cessation of military operations, the extended use of deferred messages, and the falling-off in the Indo-European message traffic transferred at Karachi.

1899-1900. Decreases of Expenditure.

137. The chief reductions in Expenditure in India occur under the following heads:—

	Rx.
Army Services	1,171,500
Interest on Ordinary Debt	202,000
Famine Relief	79,400
Construction of Protective Railway	178,300

1899-1900. Army Expenditure.

138. The following are the principal causes which have contributed to bring about the important decrease of Rx. 1,171,500 in Army charges:—

	Rx.
Reduction of Military Operations and Special Services	1,176,500
Saving under pay of British troops due to exchange being taken at 1*s.* 4*d.* instead of 1*s.* 3¼*d.* the rupee	120,000
Saving in Exchange Compensation	20,800
Saving under Regimental Pay and Allowances	45,000
Fall in the prices of food-supplies	60,000
Saving due to the cost of the 1st Bengal Infantry stationed at Mauritius being debited to Her Majesty's Government	21,200
	1,443,500

Against the above important decreases in expenditure the following increases are provided for:—

Provision of messing allowance made for the whole year instead of for part only as in 1898-99	114,600
Smaller deduction in India on account of excess provision in the Home Estimates	48,300
Mobilisation Equipment of the additional corps included among the extra units of the field Army	39,500
Reserve of compressed fodder to facilitate mobilisation operations	37,600
Re-establishment of Cantonment Hospitals	20,700
	260,700

1899-1900. Interest on Debt.

139. As was explained in last year's Financial Statement, the decrease of Interest charges represents for the most part the interest on the difference between the Capital Expenditure on Railways and Protective Works and ordinary loans contracted in India.

1899-1900. Famine Relief.

140. Except in a small portion of the Central Provinces where the people have not yet recovered from the famine of 1897-98,and in the South eastern districts of the Punjab where both the *kharif* and the *rabi* have suffered from want of rain and the area protected by irrigation is small, the prospects of the coming year are excellent, and it has not been found necessary to make any substantial provision for the relief of scarcity. Out of Rx. 85,000 provided last year to meet the probable wants of certain districts in Madras where the cold weather rains had partially failed, only Rx. 1,700 was spent and the small sum of Rx. 5,700 now entered is almost entirely intended to meet the possible requirements of Hissar and the neighbouring districts of the Punjab.

1899-1900. Construction of Protective Railways.

141. The Budget Estimate of 1898-99 provided Rx. 668,300 for outlay on the construction of Protective Railways, and this was raised during the year to Rx. 695,400 distributed as follows:—

	Rx.
East Coast Railway	60,000
Bezwada-Madras	669,400
Godavari Bridge	166,400
Guntakul-Mysore	— 400
South Indian	— 200,000
	695,400

For the coming year the Expenditure has been placed at Rx. 490,000 allotted to—

	Rx.
East Coast Railway	40,000
Bezwada-Madras	30,000
Godavari Bridge	200,000
South Indian	50,000
Madura-Paumben	100,000
Tinnevelly-Quilon	70,000
	490,000

If to this latter sum be added Rx. 370,400, being the net charge for the Indian Midland and Bengal-Nagpur, two Protective Railways constructed by Companies; Rx. 603,900 set apart for Reduction of Debt; Rx. 30,000 allotted for Protective Irrrigation Works; and Rx. 5,700 for the relief of distress, the resulting total makes up the sum of Rx. 1,500,000 set apart for expenditure on Famine Insurance.

1899-1900. Exchange Compensation Allowances.

142. The rate of exchange assumed in the Budget Estimates for 1899-1900 for the purpose of calculating Exchange Compensation Allowances is $15\frac{3}{4}d.$ the rupee, and the total saving under the various heads of Expenditure affected by this item of charge amounts to Rx. 56,400.

1899-1900. Increases of Expenditure in India.

143. The chief increases of Expenditure in India anticipated in the Budget occur under the following heads :—

	Rx.
3.—Land Revenue	65,600
Police	102,600
Medical	463,000
Reduction of Debt	278,100
State Railways :	
Working Expenses	276,500
Interest on Debt	98,900
Guaranteed Companies :	
Surplus Profits, Land, and Supervision	250,700
Irrigation, Minor Works and Navigation	51,500
Military Works	163,800
Civil Buildings and Roads	648,700

1899-1900. Land Revenue Charges.

144. The Madras Estimate under 3.—Land Revenue includes an increase of Rx. 38,700 mainly intended to provide for a long standing scheme for the improvement of the position of Taluk Gomastahs, for the revision of Village Establishments, and the extension of Survey and Settlement. In Burma the charges of District Administration are being raised by Rx. 27,800 to meet the increased demands of a young Province with a growing Revenue.

1899-1900. Police Charges.

145. In Bengal an addition of Rx. 30,200 has been allotted under Police charges for improving the investigating staff of the District Police, and for strengthening the force in Calcutta. A provision of Rx. 27,200 has been made in the North-Western Provinces for adding to the number of Assistant District Superintendents and introducing reforms in the Rural Police System of Oudh. There are also smaller increases in the Punjab, Madras, Bombay, and Assam due partly to plague charges and partly to the reorganisation of the force and the cost of supplying improved arms and accoutrements.

1899-1900. Medical Charges.

146. Every Province, except the Punjab, anticipates a rise in Medical Expenditure, the largest increases being Rx. 131,500 in Madras and Rx. 79,200 in Bombay, both mainly on account of the plague expenditure shown in detail in paragraph 103 above. As the general resources of both these Governments have been seriously reduced by famine and plague, the Government of India have as is explained above, come to their aid with contributions from Imperial Revenues. The specific contributions thus passed in the Estimates through the Land Revenue head are Rx. 64,100 in Madras, and Rx. 126,400 in Bombay. In addition to the increases shown under Provincial expenditure on plague a reserve of Rx. 209,500 has been provided under India General in order to meet any unforeseen necessities which may arise during the year.

1899-1900. Reduction of Debt.

147. As no necessity for the relief of Famine is anticipated and the expenditure on Protective Railways and Irrigation Works has been reduced, an additional sum of Rx. 278,100 required to make up the Famine Insurance grant to the full amount of Rx. 1,500,000 will be charged under Reduction of Debt.

1899-1900. State Railways.

148. The increase of Rx. 276,500 under the Working Expenses of State Railways is due to provision being made for heavier traffic, a greater length of open line, and extensive renewals of permanent-way and other works which have been left unfinished during the current year.

1899-1900. Railway Interest.

149. The increase in the Railway Interest represents the interest payable on the new capital outlay to be undertaken on Railways.

1899-1900. Guaranteed Companies :

150. The increase of Rx. 250,700 under Guaranteed Companies is accounted for by the fact that the moiety of surplus profits payable to the Bombay, Baroda and Central India Railway is estimated at Rx. 187,000 against Rx. 117,000 in

1898-99, while the amount due to the Great Indian Peninsula is expected to rise from Rx. 60,000 to Rx. 270,000. It is improbable that the Madras Railway will earn surplus profits during the coming year, but a small provision of Rx. 10,000 has been made to cover the contribution to the Provident Fund and any small amount of surplus profits that may be declared. *Surplus Profits, Land, and Supervision.*

151. The greater portion of the increase under Minor Works and Navigation occurs in Burma and Bombay, and is due to the gradual extension of the works classified under this head. *1899-1900. Minor Works and Navigation.*

152. The increase of Rx. 163,800 on account of Military Works includes a sum of Rx. 150,000 which has been added to the ordinary grant for Military Works in order to provide for defensive works beyond the administrative frontier of India. *1899-1900. Military Works.*

153. The increase under Civil Buildings and Roads is occasioned by the fact that the greater part of the free grants made to Provincial Governments in aid of their general resources have been entered under this head with the object of rendering them available for immediate expenditure if the financial position of the Governments concerned admits of it. *1899-1900. Civil Buildings and Roads.*

154. The increase of £18,800 in Sterling receipts in England occurs almost entirely under Army Receipts, and is due to larger receipts under the head of Indian Troop Service and larger recoveries on account of the value of clothing, accoutrements, etc., in the possession of Regiments on their transfer from the Indian to the British establishment. *1899-1900. Revenue in England.*

155. The Sterling expenditure in England is estimated at £16,531,600 as compared with £16,474,800, the forecast for the current year. *1899-1900. Expenditure in England.*

Of the variations which bring out this result, reduced interest payments account for £45,100. The charges on account of the Post Office are less by £17,400 owing to a more favourable adjustment of the cost of the Eastern Mail Service as between the English and Indian Post Offices.

The payments of interest on capital deposited by Railway Companies show an increase of £42,600 due to further deposits of capital made by the East Indian Railway, the Bengal-Nagpur Railway, and the Indian Midland Railway. A decline in the charges on account of the Assam-Bengal Railway is owing to the rate of interest guaranteed on the Company's share capital having been reduced from $3\frac{1}{2}$ to 3 per cent.

The Civil Superannuation and Pension Charges show an increase of £43,300, owing to a gradual increase in the claims to pension.

Under Effective Army charges the total in 1899-1900 is about the same as in the Budget Estimate of 1898-99, but the cost of the Indian Troop Service and the Miscellaneous charges will be less by £8,000, while, on the other hand, the estimate of the payments to the War Office in respect of British Forces serving in India is higher by £9,000.

Under Non-Effective Army Charges there will be a total increase of £21,000 made up of an increase in the payments to the War Office of £37,000, of small increases under Miscellaneous Pensions and other charges aggregating £4,000, and a reduction of £20,000 in the charges for pay and pensions of non-effective and retired officers of the Indian Service.

156. The charge for Exchange on the net Sterling expenditure during the coming year is less by Rx. 569,600 than in the Budget Estimate of 1898-99. The net Sterling expenditure is more than in the Estimate of 1898-99 by £38,000, and the exchange on this difference at the rate of £1=R15·6, being the rate assumed in the Budget Estimate for 1898-99, is Rx. 21,300. The direct saving from the rise in the rate of exchange from £1=R15·6 to 15·75*d.* the rupee, the rate taken for the coming year, amounts, therefore, to Rx. 590,900. *1899-1900. Exchange.*

Section IV.—Statements comparing the figures of the Estimates under the more important heads of Revenue and Expenditure with those of past years.

LAND REVENUE.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
REVENUE—	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Including that due to Irrigation—						
India General . . .	145,711	147,471	148,654	150,500	139,600	143,500
Central Provinces . . .	767,332	660,493	667,754	920,000	885,000	954,300
Burma	2,485,004	2,396,961	2,646,270	2,657,000	2,757,800	2,764,900
Assam	597,671	606,231	596,123	626,000	620,000	620,000
Bengal	3,905,221	3,876,838	3,978,219	4,087,300	4,080,400	4,078,500
North-Western Provinces and Oudh	6,134,442	5,104,374	5,719,678	6,667,900	6,719,900	6,778,200
Punjab	2,440,115	2,329,755	2,510,892	2,614,100	2,626,300	2,617,500
Madras	5,592,141	5,250,372	5,612,878	5,856,100	5,839,400	5,784,700
Bombay	4,954,982	4,473,802	4,767,912	4,961,300	5,000,700	4,943,400
TOTAL .	27,022,619	24,846,297	26,648,380	28,540,200	28,669,100	28,685,000
Shown under XXIX.—Irrigation	821,664	871,808	964,738	972,000	989,700	1,043,100
Shown under I.—Land Revenue	26,200,955	23,974,489	25,683,642	27,568,200	27,679,400	27,641,900
EXPENDITURE—						
District Administration . .	1,875,769	1,893,376	1,944,042	1,884,000	1,868,500	1,917,800
Other Charges	2,221,348	2,216,227	2,243,559	2,259,900	2,216,500	2,291,600
TOTAL .	4,097,117	4,109,603	4,187,601	4,143,900	4,085,000	4,209,400

157. Throughout the period covered by the statement the Land Revenue of the area included under India General, has been below the standard of Rx. 175,000 attained in 1893-94. It escaped the influence of the famine of 1896-97, but during the present year there has been a marked drop in the revenue owing to a failure of the rains and general scarcity in Ajmir. An improvement is looked for in the coming year.

158. In the Central Provinces the whole area was affected by famine which began earlier and lasted longer than anywhere else in India. The effect on the Land Revenue was marked and extended over 1896-97 and 1897-98. Since then there has been a return of prosperity and the Revised Estimate includes Rx. 56,000 and the Budget Rx. 36,000 on account of famine arrears. Recent information shows that there has been some failure of crops in the wheat-growing areas of Saugor and Damoh, and the Budget has been framed on more cautious lines than was proposed by the local officers.

159. The Land Revenue in Burma received only a slight check in 1896-97 and then resumed its normal course of steady progress due to extension of cultivation, revision of low assessments based on provisional data, and the enhanced yield of the capitation tax which follows the growth of population in a new Province with large areas of fresh land.

160. Assam was untouched by the famine, and the figures of 1896-97 show an increase in the Land Revenue. In the following year the revenue was affected by the earthquake which reduced for the time being the tax-paying capacity of the people, while in Kamrup and Nowgong large tracts of land have been rendered uncultivable by the sand that has been thrown up. The reduction of revenue from this cause is estimated by the Chief Commissioner at not less than a lakh of rupees. Allowance has been made for this in framing the Budget of 1899-1900.

161. In Bengal the Land Revenue being permanently settled at very low rates is to a great extent beyond the reach of famine, but the calamity of 1896-97, which extended to the whole of North Behar, to a large part of Chota Nagpur and Western Bengal and to isolated tracts in Central Bengal, directly affected the rental of Government Estates where the State is itself the landlord, and reduced the recoveries of survey charges in Behar.

162. Distress in the North-Western Provinces began early and was widely diffused but the recovery of the country has been rapid. The Revised Estimate includes Rx. 440,000 on account of suspensions of revenue, and the Budget anticipates recoveries of Rx. 417,300 on this account besides Rx. 77,800 due to revision of settlements.

163. In the Punjab the revenue rose directly the famine was over, and although during the current year the estimate has not been worked up to and suspensions of revenue have been necessary in Hissar and the neighbouring districts, it is hoped that this will be counteracted by extension of cultivation along the Chenab Canal and in the Montgomery district.

164. The Revenue in Madras is improving in the manner characteristic of the Province. The balance in arrear at the close of 1896-97 has been steadily reduced and the Budget anticipates an increase of Rx. 70,900 from the resettlement of the Kistna and Godavari districts and from extension of cultivation.

165. In spite of famine and plague in Bombay arrears of revenue amounting to Rx. 250,500 have been recovered in the current year and a favourable inundation in Sindh has swelled the revenue by expanding the cultivated area. In the coming year there will be smaller arrears to collect, and the conditions in Sindh are expected to be less favourable, but Rx. 51,000 will be added to the demand by revision of settlements.

OPIUM.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
Revenue—						
Bengal—Sale of Opium . .	5,240,349	4,850,352	3,991,048	3,900,000	4,164,000	4,488,000
Bombay—Pass Fees . . .	1,655,907	1,334,847	966,985	1,200,000	1,284,000	1,284,000
Excise Opium and other Revenue.	227,666	224,039	221,739	229,800	231,400	231,700
TOTAL . Rx.	7,123,922	6,409,238	5,179,772	5,329,800	5,679,400	6,003,700
Expenditure—						
Payments to Cultivators, including purchase of Opium . . Rx.	1,867,400	2,264,886	2,157,247	2,400,000	2,135,800	2,400,000
Other Charges . . . Rx.	200,573	220,341	228,974	254,000	213,000	253,900
England . . . £	550	882	1,853	1,400	1,600	2,200
Exchange . . . Rx.	418	583	1,043	800	800	1,100
TOTAL . Rx.	2,068,941	2,486,692	2,389,117	2,656,200	2,351,200	2,657,200
Statistics—						
Bengal—						
Chests sold . . .	37,695	39,000	39,000	39,000	39,450	40,800
Average price . . ₹	1,390	1,244	1,023	1,000	1,055	1,100
Chests produced . .	35,953	45,041	45,500	...	44,075	...
Chests in Balance, March 31st	23,551	29,587	36,080	...	40,705	...
Reserve, December 31st .	—2,652	—5,699	330	6,830	6,830	10,105
Bombay—						
Chests passed for export .	25,475½	21,751½	17,432½	24,000	25,680	25,680
Rate of Duty . . . ₹	650	650 & 600	600 & 500	500	500	500

166. Throughout the period comprised in the table the revenue derived from the sale of Bengal Opium follows the average price per chest offered at the Calcutta sales, which in its turn is determined mainly by the dollar and tael prices obtained in China. The growing competition of the Chinese drug has prevented the prices in China from rising in proportion to the increased value of the rupee due to the Currency legislation of 1893. The trade has also been handicapped by the uncertainties of exchange and the stringency of the Indian money market. These latter conditions have now improved and somewhat larger stocks are available for the China market. It is therefore hoped that the rise of Opium revenue in the current year, which was due largely to a scanty crop in China, may continue.

The decline in the exports of Malwa Opium which the table brings out, and its recent revival, are due to the same causes as those which affected Bengal Opium. The revival has been helped by the reduction of the pass-duty, which was found to be more than a declining trade could bear, to ₹500 per chest.

The receipts from Excise Opium are governed by the same causes as Excise Revenue generally, but as the consumers of opium are a comparatively well-to-do class, the returns are perhaps somewhat less sensitive to the influence of famine.

167. The main items of expenditure are payments to cultivators, the amount of which varies directly with the number of chests of Bengal Opium produced, and the quantity of Malwa Opium purchased for excise purposes which depends on the anticipated demand. The increase in charges is also due to the fact that the position of the officers of the Opium Department, which had long been admitted to be unsatisfactory, has of late years been bettered.

SALT.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Northern India (*a*)	1,905,325	1,848,755	1,947,810	1,975,000	2,027,200	2,002,600
Burma (*b*)	156,032	140,928	156,744	160,000	161,000	160,000
Bengal (*b*)	2,488,620	2,500,119	2,463,315	2,500,000	2,524,000	2,500,000
Madras (*a*)	1,997,489	1,694,164	1,726,901	1,770,000	1,985,000	1,793,100
Bombay (*a*)	2,314,379	2,237,739	2,299,395	2,323,000	2,350,000	2,301,500
TOTAL	8,861,845	8,421,705	8,594,225	8,728,000	9,047,200	8,757,200
Charges	521,044	523,352	473,747	519,600	466,100	537,300

(*a*) Chiefly excise on local manufacture. | (*b*) Chiefly duty on imported salt.

168. The fluctuations of the aggregate Salt Revenue correspond closely to the material condition of the mass of the people who consume salt. A sharp decline in the famine year 1896-97 has been followed by a gradual rise which in the Revised Estimate for the current year exceeded the standard of the revenue of 1895-96. The Bengal statistics, however, follow a somewhat different course. There the receipts rose in 1896-97 and fell in 1897-98 when the revenue of every other Province shows a rise. In explanation of this it may be observed, first, that large portions of the area supplied from Bengal escaped famine altogether, while the cultivating classes found their purchasing power greatly augmented by high prices; secondly, that the demand of 1897-98 was affected by the earthquake and cyclone of 1897; and thirdly, that imported salt is less sensitive to local influences than salt produced in the country.

The increase in the revenue in Northern India during the current year is mainly due to the revival of traffic in Kohat Salt since the cessation of the frontier disturbances. It is doubtful, however, whether the demand will continue on the same scale during the coming year; and reduced receipts are also expected from the salt produced at Sambhar, Didwana, and Pachbudra. For Burma and

Bengal the estimate is normal; in Madras it assumes a consumption of about 70 lakhs of maunds. The Bombay estimate has been taken at a moderate figure in view of the uncertainty arising from the prevalence of plague.

STAMPS.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
REVENUE.						
Court Fees and Plain Paper	3,224,216	3,216,005	3,305,376	3,301,100	3,411,000	3,442,800
Commercial and other Stamps	1,418,875	1,476,870	1,456,034	1,478,900	1,396,300	1,425,800
Other Revenue	83,964	84,867	75,633	75,900	32,600	28,500
TOTAL . Rx.	4,727,055	4,777,742	4,837,043	4,855,900	4,839,900	4,897,100
Charges—						
India . . . . . Rx.	95,158	97,006	97,998	99,700	97,100	100,400
England (Stores) . . . £	43,492	40,808	35,844	37,800	36,500	39,300
Exchange . . . . Rx.	33,044	26,967	20,185	21,100	18,200	20,600
TOTAL . Rx.	171,694	164,781	154,027	158,600	151,800	160,300

169. The Stamp Revenue depends on such a wide variety of transactions that fluctuations in its aggregate yield can hardly be ascribed to any single cause. Scarcity, for example, exercises a converse effect on the demand for the two main classes of Stamps. On the one hand it compels self-denial in the pursuit of litigation, on the other it promotes the execution of documents for the purpose of raising money. Both these tendencies are reflected in the revenue returns. The receipts from Court-fees drop sharply in the famine year, but they recover at once, and their progress is so rapid that its effect was greatly under-estimated in framing the Budget of the current year. In the case of Commercial Stamps the course of development is reversed. The revenue rises in the famine year and falls continuously from that time to a level below that of 1895-96. It was over-estimated in the Budget of the current year, and the figure taken for 1899-1900 represents only a moderate advance on the standard of 1895-96.

EXCISE.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised	1899-1900, Budget.
REVENUE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Bengal	1,337,850	1,339,931	1,274,775	1,325,000	1,335,000	1,350,000
North-Western Provinces	549,459	446,444	451,496	490,000	557,500	557,500
Madras	1,438,405	1,489,657	1,461,945	1,530,000	1,390,000	1,420,000
Bombay	1,164,147	1,099,650	1,094,996	1,120,000	1,146,000	1,146,000
Other Provinces	1,232,556	1,238,518	1,206,242	1,252,300	1,302,500	1,304,700
TOTAL	5,722,417	5,614,200	5,489,454	5,717,300	5,731,000	5,778,200
Charges	207,957	212,855	240,463	250,200	243,000	261,800

170. The progress of Excise Revenue, like the growth of the receipts from Court-fees, is a fair test of the ability of the people to spend money on luxuries. The years of scarcity show accordingly a marked decline, and in Bombay, owing probably to plague and the apprehension to which it gives rise, the

standard of 1895-96 has not yet been regained. In Madras, on the other hand, the effect of the famine and apprehended plague in reducing revenue was for a time neutralised by the extension of the tree-tax system of raising revenue from toddy. This system attained its present maximum application in 1897-98. The increase of charges is due to the adoption of more efficient methods of administration and prevention.

PROVINCIAL RATES.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
REVENUE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
District Local Funds	2,184,443	2,086,080	2,269,731	2,326,600	2,402,300	2,374,400
Provincial Cesses, including Famine Insurance	664,081	657,260	641,731	671,600	670,000	675,600
Village Service and Patwaris	734,443	667,487	678,399	726,400	737,100	748,600
Other Cesses	124,038	126,028	133,429	135,400	142,700	152,900
TOTAL	3,707,005	3,536,855	3,723,290	3,860,000	3,952,100	3,951,500
Charges	52,675	54,301	52,530	52,400	55,700	60,600

171. As was pointed out last year, the revenue from Provincial Rates is determined by the causes affecting Land Revenue, to which in most Provinces the rates bear a definite relation. The rise of revenue in the last three years corresponds therefore to the recovery of Land Revenue from famine influences. It should be added, however, that in tracts where the Land Revenue is permanently settled the revenue from Provincial Rates is increased independently of the Land Revenue by the periodical revaluation of the aggregate rental of a district for the purpose of levying these cesses.

CUSTOMS.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
IMPORT DUTIES—	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Arms, Ammunition, and Military Stores	33,867	37,215	35,728	36,200	33,700	34,200
Liquors—Spirits	591,003	599,045	606,088	583,200	627,000	598,300
Other sorts	71,583	60,120	55,224	65,800	66,000	65,200
Articles of Food and Drink	311,108	305,953	387,063	319,500	380,900	357,400
Chemicals, Drugs, Medicines, etc.	102,397	92,108	106,933	96,700	104,500	103,400
Silver Bullion and Coin	355,869	326,481	433,899	253,300	328,500	237,000
Other Metals and Manufactures of Metals	257,871	202,480	222,424	223,100	204,800	218,700
Oils	408,690	429,067	556,015	411,600	510,300	449,400
Manufactured Articles	541,946	508,799	436,591	518,300	492,500	484,800
Raw Materials and Unmanufactured Articles	113,027	88,081	99,480	103,900	80,600	94,100
Cotton Goods	1,183,443	917,816	795,720	938,300	871,700	902,100
TOTAL IMPORT DUTIES	3,970,804	3,567,165	3,735,165	3,549,900	3,700,500	3,544,600
Excise Duty on Cotton Goods	63,915	112,344	116,188	115,700	134,400	132,900
EXPORT DUTIES—						
Rice	930,616	755,167	724,819	862,400	1,002,200	900,000
LAND CUSTOMS AND MISCELLANEOUS	51,943	56,801	65,123	62,500	61,300	71,200
GRAND TOTAL	5,017,278	4,491,477	4,641,295	4,590,500	4,898,400	4,648,700
Charges	202,948	203,386	211,379	215,400	215,300	232,300

172. The decline in the revenue from import duties in 1896-97 was due not merely to the effect of the famine in reducing the demand for manufactured articles and metals but also to the exemption of cotton yarns from duty and the reduction of the duty on cotton manufactures from 5 to 3½ per cent. The volume of the trade in cotton goods was not affected until the following year when the imports declined greatly. Since then business has revived, but it is still suffering from the effects of the plague in Bombay, a great producing and distributing centre, and from the overstocking of markets in China and Japan. The revenue from oils is derived chiefly from kerosene. The trade in this article fluctuates greatly and the cheaper oils from Russia and Sumatra are now beginning to compete successfully with the finer American oil. The increase under articles of food and drink is due to the imports of beet-sugar, principally from Germany and Austria, which has been poured into India in considerable quantities. The extraordinary rise in the imports of silver, especially in a year when the effects of the famine were still severely felt, is a phenomenon of which no satisfactory explanation has been found, but the trade is now diminishing and with a large demand springing up for gold, the decrease next year is expected to be considerable. The export duty shows a great contraction in 1896-97 and 1897-98 owing to great quantities of Burma rice, which would otherwise have been exported to foreign countries and have paid duty accordingly, being diverted to India to meet the famine demand. The large exports of 1898-99 followed on a bumper crop in Burma, the chief exporting province, but such a harvest is not expected to recur and the surplus available for export to foreign countries during 1899-1900 is likely to be considerably less than in the previous year.

ASSESSED TAXES.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Deduction by Government from Salaries, Pensions, and Interest payments	447,688	439,259	444,494	479,800	447,400	449,700
Other Collections	1,387,501	1,433,550	1,450,971	1,413,100	1,482,700	1,499,100
TOTAL	1,835,189	1,872,809	1,895,465	1,892,900	1,930,100	1,948,800
Charges	29,868	30,323	32,278	32,700	33,100	33,500

173. The progress of this branch of revenue depends upon the general prosperity of the classes from which it is collected and upon the improvements constantly being introduced in the methods of assessing and levying the tax. The people by whom it is paid are to a great extent either independent of adverse seasonal influences, or derive a profit from their direct or indirect results, and the revenue accordingly does not show any distinct variation in relation to scarcity.

FOREST.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue	1,660,504	1,733,869	1,739,514	1,735,600	1,838,000	1,790,700
Expenditure	911,161	993,955	1,001,689	1,050,500	1,010,200	1,067,700
NET	749,343	739,914	737,825	685,100	827,800	723,000

174. The revenue under Forest has recovered from the effects of the famine and has resumed its normal rate of progress. The great increase shown in the Revised Estimate of the current year is due to the exceptional demand for teak timber which is not expected to be maintained during 1899-1900.

INTEREST RECEIPTS.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
India . . Rx.	801,267	912,766	840,681	914,200	928,100	913,600
England . . £	13,516	102,231	20,190	10,000	28,000	10,000
Exchange . Rx.	10,269	67,558	11,370	5,600	14,000	5,300
TOTAL . Rx.	825,052	1,082,555	872,241	929,800	970,100	928,900

175. On the subject of interest receipts there is nothing to be added to the explanations already given in paragraph 120 above.

INTEREST EXPENDITURE.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
Interest on Debt—						
India . . .	3,731,433	3,753,460	3,819,724	3,985,000	3,930,000	3,949,500
Deduct charged to—						
Irrigation .	*1,222,409*	*1,253,479*	*1,284,249*	*1,314,500*	*1,313,600*	*1,345,900*
Railways .	*3,686,287*	*3,873,401*	*4,079,009*	*4,319,400*	*4,267,500*	*4,454,500*
Balance charged to Interest Rx.	—1,177,263	—1,373,420	—1,543,534	—1,648,900	—1,651,100	—1,850,900
England . £	2,622,695	2,630,704	2,879,215	2,889,200	2,805,900	2,844,100
Exchange . Rx.	1,992,644	1,738,458	1,621,343	1,618,000	1,402,900	1,489,700
Interest on other Obligations—						
On Savings Bank Balances . Rx.	338,497	346,555	327,043	327,500	325,700	336,600
Other items— including Exchange . „	268,226	111,656	188,193	192,800	193,400	194,700
TOTAL . Rx.	4,044,799	3,453,953	3,472,260	3,378,600	3,076,800	3,014,200
Debt outstanding, March 31st—						
Sterling . £	115,903,732	114,883,233	123,274,680	125,995,833	124,389,780	124,389,780
Rupee Debt—						
4 per cent . Rx.	5,436,298	5,316,380	5,196,204	5,316,380	5,076,204	4,956,204
3½ per cent „	96,462,450	90,918,610	93,937,030	107,873,430	95,137,030	95,137,030
3 per cent „	...	10,954,820	10,972,350		10,972,350	10,972,350
Other Debt „	1,890,180	1,925,243	1,590,050	1,170,743	1,464,850	1,335,850
Savings Bank Balances . „	11,121,252	10,886,792	10,556,734	10,970,492	10,792,134	94,850 11,255,234

176. The reduction in the Interest expenditure which has taken place during the period is due on the one hand to an increase in the amount of interest charged against Railways and Irrigation, and on the other to the reduction in the rate of exchange.

POST OFFICE, TELEGRAPH, AND MINT.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
POST OFFICE—						
Revenue	1,713,495	1,783,474	1,879,163	1,893,200	1,896,200	1,903,300
Expenditure	1,643,798	1,703,111	1,729,474	1,776,300	1,731,100	1,791,200
NET	+69,697	+80,363	+149,689	+116,900	+165,100	+112,100
TELEGRAPH—						
Revenue Accounts—						
Revenue	1,085,940	1,071,524	1,309,330	1,231,900	1,081,700	1,101,400
Expenditure	737,907	770,977	819,580	827,800	808,700	830,200
NET	+348,033	+300,547	+489,750	+404,100	+273,000	+271,200
Capital Expenditure	159,946	175,782	231,914	261,800	236,100	297,300
MINT—						
Revenue	40,918	156,635	182,055	78,800	76,500	60,500
Expenditure	53,229	61,823	88,557	66,100	115,000	65,700
NET	−12,311	+94,812	+93,498	+12,700	−38,500	−5,200

177. The Postal revenue displays unbroken progress throughout the period, and its advance in the coming year would have been more marked but for the introduction of the one-anna rate of postage to the United Kingdom and British Possessions and the concurrent reduction in the Inland rates of letter postage. At the same time a substantial addition has been made to the expenditure in order to provide for administrative improvements which have been needed for a long time.

178. The Telegraph receipts of 1897-98 were abnormally high owing to the great use of the telegraph in connection with frontier wars, famine, and plague. The decline experienced in the current year and anticipated in the next year is due partly to the cessation of military operations and partly to the increased popularity of deferred telegrams.

179. The increase in the Mint expenditure in 1898-99 is explained in paragraph 109 above.

CIVIL DEPARTMENTS.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
General Administration — India	1,594,089	1,587,278	1,588,016	1,567,700	1,580,900	1,579,200
General Administration — England	243,955	260,322	257,745	255,300	253,300	253,300
General Administration — Exchange	185,350	172,030	145,141	143,000	126,700	132,700
Law and Justice — Courts	3,090,807	3,096,893	3,137,191	3,120,300	3,076,800	3,155,600
Law and Justice — Jails	956,762	1,082,246	1,118,703	1,075,000	1,028,800	1,083,900
Police	4,040,817	4,156,560	4,233,923	4,201,600	4,175,200	4,303,900
Marine — Imperial (a)	597,702	561,396	499,015	495,600	477,300	503,400
Marine — Provincial	145,410	158,870	180,025	177,400	177,500	193,000
Education	1,536,489	1,576,150	1,581,072	1,652,300	1,592,500	1,675,500
Ecclesiastical	192,410	189,385	173,962	188,200	171,700	185,800
Medical	1,030,915	1,076,696	1,355,417	1,225,600	1,558,900	1,693,800
Political	1,062,183	1,003,401	933,820	1,014,400	932,200	1,016,400
Scientific and Minor Departments	495,971	523,969	535,517	578,400	564,100	606,600
TOTAL Rx.	15,172,860	15,445,196	15,739,547	15,694,800	15,715,900	16,383,100

(a) Includes Upper Burma charges up to 1896-97.

180. The progressive increase of total expenditure during the first three years of the period was partially arrested in 1898-99, but has been resumed in the Budget for the current year. This includes a large increase under Medical rendered necessary by the persistence of plague in Bombay and its spread to Madras, and likely to be further enhanced by the recent appearance of the disease in Calcutta. Provision has been made in Burma for the appointment of an additional Judicial Commissioner and for increasing the salaries of the Civil Administrative Staff, while in Bengal two Additional District and Sessions Judges and several temporary Subordinate Judges and Munsifs are to be appointed. The Police are to be strengthened in Bengal, the North-Western Provinces, Madras and Bombay.

MISCELLANEOUS CIVIL CHARGES.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
Territorial and Political Pensions	454,082	437,397	442,458	430,000	436,500	427,700
Civil Furlough and Absentee Allowances—						
India	793	746	763	700	1,700	700
England	223,537	225,783	187,640	226,000	262,300	226,000
Exchange	169,837	149,205	105,664	126,500	131,100	118,400
Superannuation Allowances and Pensions—						
India	969,146	1,005,961	1,048,595	1,072,300	1,068,200	1,093,200
England	1,817,694	1,874,519	1,901,744	1,925,700	1,944,000	1,969,000
Exchange	1,381,029	1,238,745	1,070,910	1,078,400	972,000	1,031,400
Stationery and Printing	685,187	679,523	724,093	689,000	708,300	721,800
Miscellaneous	232,027	244,830	234,959	229,000	250,100	255,300
TOTAL Rx.	5,933,332	5,856,709	5,716,826	5,777,600	5,774,200	5,843,500

181. The causes affecting this group of charges continue to operate on their usual scale, and no special explanatory remarks are called for.

FAMINE RELIEF AND INSURANCE.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Famine Relief	18,301	2,079,525	5,325,608	85,100	44,600	5,700
Construction of Protective Railways	529,867	...	...	668,300	695,400	490,000
Ditto ditto Irrigation Works	38,317	46,830	37,517	20,000	13,500	30,000
Reduction or avoidance of Debt	...	...	...	325,800	422,600	603,900
TOTAL	586,485	2,126,355	5,363,125	1,099,200	1,176,100	1,129,600
Net Charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account	413,515	438,857	352,948	400,800	323,900	370,400
TOTAL EXPENDITURE CHARGEABLE TO THE FAMINE GRANT	1,000,000	2,565,212	5,716,073	1,500,000	1,500,000	1,500,000

182. These charges have been fully explained in other parts of this statement.

RAILWAY REVENUE ACCOUNT.

		Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
STATE RAILWAYS—							
Gross Receipts	Rx.	18,558,699	17,639,604	19,044,525	19,382,900	19,696,100	20,237,400
Working Expenses	Rx.	9,040,836	8,819,553	9,201,202	9,770,500	9,876,600	10,047,000
Interest and other Charges—							
India	Rx.	3,700,813	3,888,549	4,095,593	4,336,500	4,283,600	4,471,800
England	£	3,586,219	3,629,600	3,687,127	3,714,700	3,711,700	3,751,200
Exchange	Rx.	2,724,699	2,398,561	2,076,294	2,080,300	1,855,900	1,964,900
Net Result	„	—493,868	—1,096,659	—15,691	—519,100	—31,700	+2,500
GUARANTEED RAILWAYS—							
Net Traffic Receipts	Rx.	3,275,238	2,634,164	2,201,392	2,424,000	2,995,000	3,192,500
Surplus Profits, Interest and other Charges—							
India	Rx.	533,137	483,610	135,112	321,600	429,800	571,700
England	£	2,161,563	2,160,967	2,154,784	2,171,500	2,162,500	2,185,300
Exchange	Rx.	1,642,290	1,428,040	1,213,401	1,216,000	1,081,200	1,144,700
Net Result	„	—1,061,752	—1,438,453	—1,301,905	—1,285,100	—678,500	—709,200
Other Receipts	„	25,252	24,052	14,969	16,700	45,300	31,000
Other Charges	„	89,900	148,921	129,989	310,300	213,200	204,900
STATISTICS—							
State Railways—							
Capital Expenditure to March 31—							
Expenditure by Government	Rx.	122,701,781	126,978,761	130,614,851	136,512,261	134,196,651	138,155,251
Ditto by Companies	£	25,721,568	27,538,341	29,684,713	31,850,541	31,569,513	33,415,713
Outlay on the East Indian Railway from debentures raised by the Company	Rx.	271,698	1,707,399	2,688,083	3,632,399	4,261,883	5,011,883
TOTAL		148,695,047	156,224,501	162,987,647	171,995,201	170,028,047	176,582,847
Miles open on April 1		14,146	14,721	15,378	15,671	15,583	16,696
Guaranteed Railways—							
Miles open on April 1		2,587	2,587	2,588	2,588	2,588	2,592

183. The Revised Estimate of net receipts on State Railways is better than the Budget Estimate for 1898-99 by Rx. 207,100. The improvement is chiefly on the North-Western and Rajputana-Malwa Railways, due to a large traffic in grain, seeds and cotton.

184. The reduction in the Interest charges in India follows on the smaller outlay on Construction due to short shipments of stores from England. The rise in the rate of Exchange has caused a considerable saving on the Sterling charges, thus making the net result considerably better than in the original estimate.

185. The net receipts from State Railways in 1899-1900 are estimated at Rx. 370,900 higher than the Revised Estimate for 1898-99 in anticipation of a further improvement in traffic based on the excellent prospects of the spring crops and on the additional mileage which it is expected will be opened during the year. The increase in the Estimate of Working Expenses amounts to Rx. 170,400 and is due to heavier traffic, increased open mileage, and provision

for heavy renewals of way and works unfinished in 1898-99. There is also an increase in Interest charges, chiefly in India, due to the progress of Capital Outlay.

186. The Revised Estimate of net receipts from Guaranteed Railways exceeds the original Estimate by Rx. 571,000. This result is due to a marked improvement in goods traffic on the Great Indian Peninsula and Bombay, Baroda and Central India Railways following on an amelioration of the unfavourable conditions which obtained during the last two years, as well as to a reduction in the outlay on renewals on the Bombay, Baroda and Central India Railway.

The increase in Surplus Profits and other charges in India is more than covered by the saving in Exchange on Sterling Interest, leaving the net result, Rx. 606,600, better than the original Estimate.

A further improvement in traffic is expected in 1899-1900, but owing to the increase in Surplus Profits, etc., payable in India, and to the lower rate of Exchange adopted, the net result falls short of the Revised Estimate by Rx. 30,700 only.

IRRIGATION.

Irrigation.	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Major Works.						
Revenue . Direct Receipts .	1,279,408	2,067,961	2,377,744	2,032,000	2,225,200	2,171,800
Revenue . Land Revenue .	821,664	871,808	964,738	972,000	989,700	1,043,100
Expenditure . Working Expenses	787,301	871,180	892,119	918,600	931,000	958,100
Expenditure . Interest . .	1,222,409	1,253,479	1,284,249	1,314,500	1,313,600	1,345,900
Net .	+91,362	+815,110	+1,166,114	+770,900	+970,300	+910,900
Minor Works.						
Receipts—Direct	198,881	210,870	227,382	224,100	246,800	236,200
Expenditure	966,601	1,126,350	967,717	980,000	977,500	1,030,800
Statistics of Major Works.						
Capital Outlay to March 31 . .	31,101,556	31,897,139	32,639,803	33,418,839	33,362,403	34,259,003

187. The Revised Estimate of direct receipts from Major Works is better than the Budget Estimate for 1898-99 by Rx. 193,200. The increase occurs chiefly in the Punjab and the North-Western Provinces and Oudh, and is due to a larger area having been irrigated in the past *kharif* season than was anticipated. The small increase of Rx. 22,700 in the receipts from Minor Works is due partly to the same cause, and partly to the revenue in the Montgomery District which was hitherto shown as Indirect, having been treated as Direct receipts in accordance with the new Schedule of Water-rates. The Budget Estimate for 1899-1900 has been based on normal demands for water in the *kharif* season of 1899, and besides allowing for an increase of Rx. 30,800 in the revenue from the Chenab Canal due to development of irrigation, provides also for favourable *rabi* irrigation in the Punjab generally. The increase of irrigation in 1898-99 caused a small increase in Working Expenses. The increase of Rx. 27,100 in Working Expenses provided for in 1899-1900 is due to additional lengths of canals and distributaries being opened for irrigation.

188. The financial results obtained during 1896-97 and 1897-98 from Irrigation Works, for which Capital and Revenue Accounts are kept, are given below :—

	1896-97.	1897-98.
	Rx.	Rx.
MAJOR WORKS.		
Capital Outlay—		
Direct and Indirect . During the year	831,509	775,125
Direct and Indirect . To end of year	33,352,211	34,127,336
Revenue Account—		
Gross Revenue	2,976,795	3,382,684
Maintenance and Working	964,522	993,250
Net Revenue	2,012,273	2,389,434
Interest	1,253,542	1,284,250
Net Profit	758,731	1,105,184
Percentage of net Revenue of the year on the Capital Outlay to end of the year	6·03	7·00
MINOR WORKS.		
Capital Outlay—		
Direct and Indirect . During the year	196,930	132,200
Direct and Indirect . To end of year	5,303,360	5,292,447
Revenue Account—		
Gross Revenue	585,180	588,693
Maintenance and Working	259,175	239,512
Net Revenue	326,005	349,181
Percentage of net Revenue of the year on the Capital Outlay to end of the year	6·14	6·60

The figures in this table are taken from the administrative accounts. In the case of Minor Works interest on the Capital Outlay is not charged, as the Capital Expenditure is incurred from Revenue.

BUILDINGS AND ROADS.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
MILITARY WORKS—						
Expenditure	1,205,938	1,157,006	1,168,385	1,185,100	1,197,600	1,322,300
Receipts	49,699	61,268	52,561	50,300	54,200	50,900
Net	1,156,239	1,095,738	1,115,824	1,134,800	1,143,400	1,271,400
CIVIL WORKS—						
Imperial—						
Expenditure	763,158	809,383	428,523	559,800	556,300	519,200
Receipts	66,421	59,537	55,631	54,700	55,600	55,600
Provincial—						
Expenditure	2,063,159	2,131,781	2,258,018	2,531,000	2,461,400	3,251,400
Receipts	305,041	279,888	278,562	280,300	291,900	289,500
Local—						
Expenditure	1,777,957	1,685,125	1,564,010	1,745,600	1,626,800	1,713,500
Receipts	292,671	295,521	281,069	293,400	294,700	292,900

189. The expenditure on Provincial and Local Civil Works during 1898-99 is expected to fall short of the Budget Estimate by Rx. 69,600 and Rx. 118,800. This is due partly to the expenditure having been over-estimated in some Provinces, and partly to the restriction of outlay in Bombay and Madras in order to provide funds for expenditure in connection with plague.

190. The estimated expenditure on Military Works in 1899-1900 is higher than the Budget Estimate of the previous year by Rx. 137,200. This is chiefly due to provision to the extent of Rx. 150,000 having been made for defensive works beyond the administrative frontier.

191. Under Imperial Civil Works the expenditure in 1899-1900 is less than the Budget Estimate of the previous year by Rx. 40,600, owing for the most part to the completion of the Bangalore Water-works.

In the Provincial and Local Section of the Estimates, the provision for expenditure depends chiefly on the state of the Provincial and Local balances, and in 1899-1900 considerable additions have been made in the Provincial Section in connection with the free grants to Local Governments of Rx. 700,000, as explained in paragraph 65; the total increase over this year in the Provincial Section is Rx. 790,000, and in the Local Section Rx. 86,700.

ARMY SERVICES.

		Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	1899-1900, Budget.
EFFECTIVE SERVICES—							
Regimental Pay and Allowances—							
India	Rx.	8,697,465	8,598,670	8,278,218	8,400,200	8,140,700	8,104,900
England	£	1,048,930	1,056,598	1,029,498	1,059,000	1,058,400	1,068,000
Exchange	Rx.	796,945	698,236	579,731	593,000	529,200	559,400
TOTAL	„	10,543,340	10,353,504	9,887,447	10,052,200	9,728,300	9,732,300
Less—Receipts	„	7,095	7,405	6,148	7,400	6,200	6,800
Net	„	10,535,645	10,346,099	9,881,299	10,044,800	9,722,100	9,725,500
Commissariat—							
India	Rx.	3,079,399	3,900,588	3,747,552	3,624,200	3,729,300	3,847,700
England	£	21,838	40,832	32,197	21,400	24,600	48,600
Exchange	Rx.	16,592	26,983	18,131	12,000	12,300	25,500
TOTAL	„	3,117,829	3,968,403	3,797,880	3,657,600	3,766,200	3,921,800
Less—Receipts	„	437,966	452,322	389,493	458,200	424,100	465,300
Net	„	2,679,863	3,516,081	3,408,387	3,199,400	3,342,100	3,456,500
Ordnance—							
India	Rx.	846,935	921,362	852,006	773,500	817,100	823,700
England	£	245,124	299,233	278,984	306,200	289,700	352,200
Exchange	Rx.	186,238	197,743	157,101	216,300	144,800	184,500
TOTAL	„	1,278,297	1,418,338	1,288,091	1,376,000	1,251,600	1,360,400
Less—Receipts	„	185,502	143,277	132,403	117,100	125,500	114,300
Net	„	1,092,735	1,275,061	1,155,688	1,258,900	1,126,100	1,246,100
Other Heads—							
Expenditure	Rx.	5,485,002	3,674,561	7,326,279	5,150,400	4,719,600	4,027,200
Receipts	„	235,933	235,375	242,742	220,300	255,800	226,100
Net	„	5,249,069	3,439,186	7,083,537	4,930,100	4,463,800	3,801,100
NON-EFFECTIVE SERVICES—							
India	Rx.	897,135	906,263	922,385	957,500	945,600	912,600
England	£	2,316,527	2,368,852	2,414,845	2,475,800	2,426,700	2,496,800
Exchange	Rx.	1,760,027	1,565,417	1,359,847	1,380,400	1,213,300	1,307,800
TOTAL	„	4,973,689	4,840,532	4,697,077	4,819,700	4,585,600	4,717,200
Less—Receipts	„	110,855	114,951	111,078	106,900	113,200	106,800
Net	„	4,862,834	4,725,581	4,585,999	4,712,800	4,472,400	4,610,400
GRAND TOTAL—							
India	Rx.	18,120,112	17,261,343	20,362,539	18,083,800	17,565,200	16,912,300
England	£	4,135,794	4,211,135	4,244,227	4,469,300	4,324,100	4,493,100
Exchange	Rx.	3,142,251	2,782,860	2,390,008	2,502,800	2,162,000	2,353,500
TOTAL	„	25,398,157	24,255,338	26,996,774	25,055,900	24,051,300	23,758,900
Less—Receipts	„	978,011	953,330	881,864	909,900	924,800	919,300
Net	„	24,420,146	23,302,008	26,114,910	24,146,000	23,126,500	22,839,600

192. The variations in the above figures have been explained in paragraphs 118, 120, 121, 138, 154, and 155 above.

Section V.—Capital Expenditure on Public Works not charged against Revenue.

193. In paragraph 177 of the Financial Statement for March 1898 the programme sanctioned by the Secretary of State for the construction of Railways in India during the three years 1896-97 and 1897-98 and 1898-99, which involved the expenditure of 29⅔ crores of rupees, was referred to and explained.

The year 1898-99 being the last of the three years to which the programme of 29⅔ crores applied, it was considered necessary to prepare a new programme of Railway Construction for the three years from 1899-1900 to 1901-2. The large Cash Balances in the Indian Treasuries, which justified the policy of extending Railway Construction which was adopted in 1895-96, have now been exhausted. The new estimate of expenditure has accordingly been framed at a moderate figure, and a programme for the next three years working up to Rx. 20,322,100 has been sanctioned by the Secretary of State. In consequence, however, of the heavy lapse on the grant for 1898-99, amounting to Rx. 2,401,400, much of which is due to short outlay in England consequent on the engineering strikes and the failure of contractors to complete orders placed with them for stores, it has been decided, with the concurrence of the Secretary of State, to add a sum of Rx. 1,060,000, representing a portion of this lapse, to the grant for 1899-1900. A further addition of Rx. 1,090,000 has since been provisionally sanctioned under certain conditions, subject to the Secretary of State's approval. This new programme includes all Railway Construction for which Government undertakes any responsibility or gives any guarantee, and includes therefore, in addition to the classes of outlay provided for in the earlier programme, (1) the Capital expenditure of the three old Guaranteed Companies, and (2) outlay on branch lines of Railway incurred by Private Companies on firm guarantee by Government. The details of the new programme may be compared as follows with the corresponding expenditure in the three years ending with 1898-99:—

	1896-97. Actuals.	1897-98, Actuals.	1898-99, Revised.	Total.	1899-1900.	1900-1.	1901-2.	Total.
I.—State Lines—	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
(i) Managed by the State.	3,705,834	2,354,102	2,379,500	8,439,436	1,829,000	1,747,200	1,673,000	5,249,200
(ii) Managed by Companies.	1,973,841	2,258,587	2,771,900	7,004,328	2,876,000	2,552,000	2 755,500	7,183,500
II.—Lines of three old Guaranteed Companies.	285,348	437,819	851,600	1,574,767	1,107,800	550,000	471,400	2,129,200
III.—Lines of other Guaranteed or Assisted Companies.	2,979,194	3,526,515	2,937,300	9,443,009	2,841,900	1,820,000	1,921,100	6,583,000
IV.—Branch Lines on firm guarantee.	1,008	124,251	218,000	343,259	168,000	59,200	...	227,200
TOTAL .	8,945,225	8,701,274	9,158,300	26,804,799	8,822,700	6,728,400	6,821,000	21,372,100

194. The Budget Estimate of 1898-99 provided for an expenditure of Rx. 13,951,300 on Railways, Irrigation Works, and Miscellaneous Public Improvements, including Rx. 1,129,900 on account of expenditure under the head of Open Line Capital by the three old Guaranteed Companies and Rx. 334,500

for Branch Lines with a firm guarantee. The total sum was distributed as follows :—

	Rx.
34.—Construction of Protective Railways	668,300
48.—State Railways - Construction	4,951,300
49.—Irrigation	750,000
50.—Miscellaneous Public Improvements	48,000
Capital of Indian Railway Companies	3,475,000
Guaranteed Railways—Open Lines	1,129,900
„ „ Extensions	750,000
Branch Line Companies	334,500
East Indian Railway Company's Debentures	944,300
TOTAL	13,051,300

195. During the course of the year it became apparent that, owing to the late arrival of English stores consequent on the engineering strikes in England and other causes, it would be impossible to work up to the amount of the Budget Estimate. It was also decided that expenditure on the jetties at Chittagong should not be treated as Miscellaneous Public Improvements not charged to Revenue, but should form a part of the expenditure under "48.—State Railways—Construction," the necessary adjustment in regard to previous expenditure being duly carried out. The Revised Estimates for Capital expenditure on Railways and Irrigation Works during 1898-99 have accordingly been prepared as under :—

	Rx.
34.—Construction of Protective Railways	695,400
48.—State Railways—Construction	2,882,200
49.—Irrigation	692,200
Capital Account of Indian Railway Companies	2,937,300
Guaranteed Railways—Open Lines	552,800
„ „ Extensions	298,800
Branch Line Companies	218,000
East Indian Railway Company's Debentures	1,573,800
TOTAL	9,850,500

or for a sum less by Rx. 3,200,800 than the amount of the Budget Estimate.

In addition to the above sum, the Branch Line Companies not in receipt of a firm guarantee and the Companies whose accounts are outside the Government accounts are expected to spend during the year Rx. 1,470,100 as under :—

Branch Line Companies—

	Rx.
Ahmedabad-Parantij	600
Mymensingh-Jamalpur	70,000
South Behar	204,000
Tapti Valley	650,000
	924,600

Outside the Government Accounts—

Bengal and North-Western Railway Extensions	445,000
Segowlie-Raksaul	20,500
Nilgiri	40,000
Bengal Dooars Extensions	40,000
	545,500

Thus making a total of Rx. 11,320,600 for all Railways and Irrigation Works in India.

196. In Despatch No. 351 (Financial), dated 10th November 1898, from the Government of India, to the Secretary of State, it was proposed to incur expenditure to the extent of Rx. 20,322,100 on the construction of Railways during the three years 1899-1900 to 1901-2, distributed as under :—

	Rx.
1899-1900	6,772,700
1900-1	6,728,400
1901-2	6,821,000
TOTAL	20,322,100

The Secretary of State's approval to this forecast was conveyed in his telegram dated 10th January 1899.

197. The programme of proposed expenditure during 1899-1900 provides for a sum of Rx. 6,772,700. The reasons for the heavy lapse on the grant for 1898-99, amounting to Rx. 2,401,400, have already been stated in paragraph 193 above, and it has been explained that a sum of Rx. 2,150,000 has been added to the grant for 1899-1900. With this addition the total amount available for expenditure on construction of Railways will stand at Rx. 8,922,700. From this figure, however, it will be necessary to deduct a sum of Rx. 100,000 on account of the Capital cost of the Umaria Colliery which will be transferred to the Rewa Durbar with effect from 1st April 1899. The net amount entered in the Estimates for construction of Railways therefore stands at Rx. 8,822,700.

This sum has been distributed for expenditure on Railways as under :—

	Rx.
34.—Construction of Protective Railways	490,000
48.—State Railways—Construction	3,465,000
Capital of Indian Railway Companies	2,841,900
Branch Line Companies	168,000
Guaranteed Railways and Extensions	1,107,800
East Indian Railway Company's Debentures	750,000
Total amount available	8,822,700

In addition to the above, further Capital expenditure will also be incurred in 1899-1900 by Branch Line Companies not in receipt of a firm guarantee, and other Companies whose accounts are outside the Government accounts, to the extent of Rx. 950,300 as under :—

	Rx.
Branch Line Companies—	
Ahmedabad Parantij	2,100
Mymensingh-Jamalpur	60,000
South Behar	77,500
Tapti Valley	230,000
TOTAL	369,600
Outside the Government Accounts—	
Bengal and North-Western Railway Extensions	365,000
Segowli-Raksaul	10,700
Nilgiri	5,000
Bengal Dooars Extensions	200,000
TOTAL	580,700

The provision for Irrigation Works amounts to Rx. 850,000.

The total Capital expenditure on Railways and Irrigation Works in 1899-1900 accordingly amounts to Rx. 10,623,000.

48.—State Railways—Construction.

198. The Budget grant for 1897-98 amounted to Rx. 5,838,600 as under:—

	Rx.	Rx.
Total provision in Forecast		10,130,000
Deduct—Capital of Indian Railway Companies (Rx. 3,710,000 *less* Rx. 1,200,000 for East Indian Railway)	2,510,000	
Provision for Burma Railways . .	1,000,000	
Additional provision for expenditure in England on the Assam-Bengal Railway (Rx. 199,300—Rx. 80,000)	119,300	
		3,629,300
		6,500,700
Deduct—Amount provided for East Indian Railway from debentures raised by Company . . .		662,100
Grant available .		5,838,600

The whole amount was shown under the head 48.—State Railways—Construction.

The Revised Estimate provided for a total expenditure of Rx. 3,903,400 under the same head, against which the actual expenditure incurred amounted to Rx. 3,632,005, thus falling short of the Revised Estimate by Rx. 271,395 and of the Budget provision by Rx. 2,206,595.

199. The amounts provided for Railway Construction this year and next are —Revised Estimate, 1898-99, Rx. 5,151,400, and Budget Estimate, 1899-1900, Rx. 4,705,000. These figures include provision to the extent of Rx. 695,400 and Rx. 490,000, respectively, under the head 34.—Construction of Protective Railways. The distribution of the above totals is given in paragraph 28 of this Statement.

200. The distribution of the total expenditure on Railway Construction through State and Companies' agency in each of the three years from 1897-98 to 1899-1900, as given in paragraph 193, is as follows :—

	1897-98, Accounts.	1898-99, Revised.	1899-1900, Budget.
Expenditure in England.			
1. State Lines	809,010	788,000	681,000
2. Old Guaranteed Railways . . .	761,182	937,600	818,800
3. Extensions of ditto	763	86,300	130,900
4. Other Guaranteed or Assisted Railways .	748,921	756,800	996,000
TOTAL . £	2,319,876	2,568,700	2,626,700

	1897-98, Accounts.	1898-99, Revised.	1899-1900, Budget.
Exchange on Expenditure in England.			
1. State Lines	455,570	394,000	356,700
2. Old Guaranteed Railways at contract rate	69,198	85,200	74,500
3. Extensions of ditto at average rates	466	44,000	68,200
4. Other Guaranteed or Assisted Railways at contract rates	462,842	394,100	517,700
TOTAL . Rx.	988,076	917,300	1,017,100
Expenditure in India.			
1. State Lines . . . . . Rx.	3,348,109	3,969,400	3,667,300
2. Old Guaranteed Railways (net repayments) . . . . . Rx.	—398,838	—470,000	—349,300
3. Extensions of ditto . . Rx.	5,048	168,500	364,700
4. Other Guaranteed or Assisted Railways . . . . . Rx.	2,314,752	1,786,400	1,328,200
5. Branch Lines on firm guarantee . Rx.	124,251	218,000	168,000
TOTAL INDIA .	5,393,322	5,672,300	5,178,900
TOTAL OF PROGRAMME .	8,701,274	9,158,300	8,822,700
To the above should be added the following amounts on account of expenditure on other Companies' lines and expenditure on Railway Construction from Provincial Revenues :—			
Other Branch Lines . .	563,685	924,600	369,600
Railways outside of Government accounts	903,550	545,500	580,700
Provincial State Lines . .	3,792	4,200	3,600
GRAND TOTAL .	10,172,301	10,632,600	9,776,600

49.—Irrigation—Construction.

201. The figures are:—

Accounts, 1897-98.	Budget, 1898-99.	Revised, 1898-99.	Budget, 1899-1900.
Rx.	Rx.	Rx.	Rx.
692,431	750,000	692,200	850,000

The expenditure during the current year is likely to fall short of the Budget Estimate by Rx. 57,800 owing chiefly to delay in starting work on the Jhelum Canal. In order to meet the heavy demands for expenditure on this and other projects, the Budget grant for 1899-1900 has been fixed at Rx. 850,000.

50.—Miscellaneous Public Improvements.

Accounts, 897-98.	Budget, 1898-99.	Revised, 1898-99.
Rx.	Rx.	Rx.
4,105	48,000	—4,100

202. As was explained in paragraph 185 of the Financial Statement of March 1898, this head was opened in the Accounts of 1897-98 to record the expenditure on the construction of certain jetties and landing-sheds at Chittagong in connection with the Assam-Bengal Railway. It has now been decided to classify this expenditure under the head "48.—Railways—Construction," and the expenditure of Rx. 4,105 recorded in 1897-98 has accordingly been written back in 1898-99.

Section VI.—Ways and Means.

HOME TREASURY.

203. The following table sets out the transactions of the Home Treasury as they appear in the Budget and Revised Estimate for 1898-99 and in the Budget for the coming year :—

	Budget, 1898-99.	Revised, 1898-99.	Budget, 1899-1900.
RECEIPTS.	£	£	£
Council Bills	16,000,000	19,000,000	17,000,000
Permanent Debt incurred	6,000,000	5,297,700	...
Temporary Debt incurred	6,000,000	4,500,000	4,500,000
Capital Receipts from Railway Companies—			
for discharge of debt	1,491,600	805,500	1,248,600
„ expenditure	1,676,000	1,226,300	1,473,000
Deposits and Advances, net	...	200	...
Add—Opening Balance	2,168,254	2,534,244	4,304,444
TOTAL	33,335,854	33,363,944	28,526,044
OUTGOINGS.			
Excess of Expenditure over Revenue	16,286,500	16,091,200	16,324,500
Expenditure not charged to Revenue	1,119,900	791,100	682,100
Permanent Debt discharged	3,384,700	3,384,900	...
Temporary Debt „	6,000,000	6,000,000	4,500,000
Issues to Railway Companies on Capital Account—			
for discharge of debt	1,491,600	805,500	1,248,600
„ expenditure	2,316,500	1,823,900	1,948,700
Remittances from India, net—			
(*a*) Railway Companies' Remittances	302,500	—62,700	736,000
(*b*) Family and other Remittances	191,300	225,600	265,800
Add—Closing Balance	2,242,854	4,304,444	2,817,344
TOTAL	33,335,854	33,363,944	28,526,044

204. In the Budget Estimate of 1898-99 the net disbursements of the Home Treasury, excluding Loans and Council Bills, were taken at £18,540,700. The intention then was to provide £16,000,000 of this by the sale of Bills on India, and to meet the balance, £2,540,700, by raising Sterling loans in England. According to the Revised Estimates the net disbursements, apart from the discount on the loan raised during the year by means of 2½ per cent India Stock, will be £17,642,600, so that if the sales of Council Bills had been restricted to £16,000,000, loan funds would have had to meet only £1,642,600, instead of £2,540,700 as originally contemplated. But the new loan of the year was

raised at a heavy discount, amounting to £702,300, on a total debt of £6,000,000; while, on the other hand, the Secretary of State has taken advantage of the improvement in the cash balances in India and of the favourable prospects of the season to raise his drawings in 1898-99 to £19,000,000. The larger balances thus made available have enabled the Secretary of State to reduce temporary borrowing on India Bills from £6,000,000 to £4,500,000, and the cash balance of the Home Treasury at the end of the year is now expected to exceed the opening balance by £1,770,200. Although, for the reasons explained above, the sale of Bills on India to the extent of £18,000,000 only would have been more than sufficient to cover the net disbursements of the Home Treasury in 1898-99, the Secretary of State has drawn a million in excess of this sum with the object of fully meeting the large mercantile demand for remittance arising from the brisk trade of the year. The drawings of 1899-1900 will be reduced by a corresponding amount.

1898-99. Sterling Loans.

205. In accordance with the intention announced in paragraph 194 of the last Financial Statement, India Stock for £6,000,000 was issued in July 1898. The new stock was issued at 2½ per cent: but owing to the unfavourable state of the money market at the time, the loan was taken up at the heavy discount of £11 9*s.* 7*d.* per cent. The total amount tendered was £22,385,300, and the minimum rate of accepted tenders was £88 5*s.* 6*d.* It is usual, when the amount of discount on a new loan is moderate, to charge off the whole amount against the Revenues of the year in which the loan is raised; but as in the present case the discount comes to the large sum of £702,300, it has been decided, in accordance with an arrangement sanctioned in 1886, to create a Sinking Fund for its discharge by annual payments for 50 years at an interest of 2½ per cent per annum. Accordingly, the money actually raised by the loan, namely, £5,297,700, is shown in the table in paragraph 203 as a receipt on account of the loan, and the annual payment to the Sinking Fund, amounting to about £7,000, is, as already explained in paragraph 121, shown as expenditure.

In accordance with the programme settled at the beginning of the year, 384,700*l.* of Oudh and Rohilkhand Railway 4 per cent Debenture Stock was discharged on the 6th May 1898, and 3,000,000*l.* India Debentures bearing interest at 3¼ per cent were also discharged on their expiry on 16th August 1898.

1898-99. Temporary Debt.

206. In March last it was intended to raise 6,000,000*l.* in 1898-99 by means of India Bills so as to replace an equivalent amount falling due in the year; but in consequence of the larger amount received for Bills of Exchange on India only 4,500,000*l.* of temporary debt had to be replaced, and the remainder was discharged by a reduction in the cash balances. Of the 4,500,000*l.* India Bills issued during the year, 2,500,000*l.* were issued in May 1898 and 2,000,000*l.* in September, both issues being for twelve months. The results of the loans were as follows:—

Month of Issue.	Amount tendered.	Amount accepted.	Average rate of interest per cent per annum.
	£	£	£ *s.* *d.*
May 1898	18,809,000	2,500,000	2 2 6
September 1898 . . .	7,175,000	2,000,000	2 12 0

Capital of Railway Companies.

207. The net issues to Railway Companies in England in 1898-99 are now estimated to be 597,600*l.* against 640,500*l.* entered in the Budget Estimate, showing a reduction of 42,900*l.* only. The following are the usual details:—

	Budget. £	Revised. £
RECEIPTS.		
Subscribed Capital—		
(*a*) State Lines	1,335,100	1,151,800
(*b*) Guaranteed Lines	1,829,500	836,800
Miscellaneous	3,000	43,200
TOTAL .	3,167,600	2,031,800

	Budget. £	Revised. £
ISSUES.		
For discharge of Debentures—		
(*a*) State Railways	835,100	600,000
(*b*) Guaranteed Lines	656,500	205,500
For Stores, Establishment Charges, etc.—		
(*a*) State Railways	865,300	759,700
(*b*) Guaranteed Lines	1,451,200	1,064,200
TOTAL .	3,808,100	2,629,400

Debentures of the Rohilkhand-Kumaon, Southern Mahratta, Madras, and Bombay, Baroda and Central India Railway Companies, aggregating £686,100, were renewed instead of being replaced by fresh Capital as was contemplated in the Budget programme. The Capital receipts from the Bombay, Baroda and Central India, the Great Indian Peninsula Railway, and the Madras Railway were less by 541,700*l.* than the original estimate. On the other hand, the Indian Midland and Bengal-Nagpur Railways raised 51,800*l.* more, making the net decrease in the amounts of new Capital 1,176,000*l.* as shown above. The item "Miscellaneous" includes 37,490*l.* received from the Bombay, Baroda and Central India Railway Company as contribution from the Fire Insurance Fund towards the cost of renewing Warren girders.

The estimates of the demands of the Companies for stores, establishment charges, etc., have proved too high except in the case of the Bengal Central, the Bengal-Nagpur, and the Burma Railways.

208. The following are the details of the remittance transactions of Railway Companies working State lines in India, to which advances of funds are made in England for the purchase of stores, etc., against adjustment in India by debit to the Railway Accounts :—

	Budget. £	Revised. £
Advances for purchase of Stores—		
East Indian Railway	700,000	714,400
Rajputana-Malwa	65,000	70,600
South Indian Railway	65,000	47,300
Bengal and North-Western Railway .	75,000	107,000
	905,000	939,300
East Indian Railway Debentures . .	600,000	1,000,000
Transfer Fees, etc.	2,500	2,000
	602,500	1,002,000
Net Remittance from India . .	302,500	—62,700

The East Indian Railway has been authorised to raise 1,000,000*l.* instead of 600,000*l.* entered in the Budget Estimate, and the advances for purchase of stores are now expected to be largely in excess of the original estimates furnished by the several Companies.

Family and other Remittances.

209. The increase in the net payments on account of family and other remittances of £34,300 is the result of a number of large differences. The demands for Railway stores required by Native States have greatly exceeded the estimates sent from India, and the Revised Estimates also include 10,000*l.* estimated to be refunded to the Imperial Government in settlement of the expenses attending the employment of Native Indian Troops at Suakin. On the other hand, the repayments by Her Majesty's Government of expenses attending the employment of Indian Native Troops sent to Mombassa are expected to exceed the original estimate by 24,600*l.*

210. The net disbursements at the Home Treasury in 1899-1900, excluding Loans and Council Bills, are estimated at £18,487,100 against £18,540,700 in the Budget Estimate of 1898-99. As already stated in paragraph 204, the Secretary of State's present estimate of the drawings in 1898-99 will produce a large increase in his cash balances during the year, and this increase will be drawn upon to a considerable extent to meet the requirements of 1899-1900. It is therefore the present intention of the Secretary of State to draw during 1899-1900 £17,000,000 by Bills on India.

1899-1900. Home Treasury. Ways and Means.

No increase in the Sterling debt in 1899-1900 is contemplated at present, nor is it proposed to issue any India Stock in the year; but India Bills falling due in 1899-1900 will be covered by fresh issues of a corresponding amount.

According to the programme now announced, the net disbursements of the Home Treasury will be met, in the year 1899-1900, by the sale of Bills on India to the amount of £17,000,000 and by a reduction in the cash balances of £1,487,100.

211. It should be understood that in stating the present intentions of the Secretary of State no sort of pledge is given that he will adhere to the programme.

INDIA.

212. The following is a summary of the Estimate of Ways and Means in India:—

	1898-99.		1899-1900.
	Budget.	Revised.	Budget.
RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of Revenue over the Expenditure charged against it	26,298,400	28,196,200	28,808,000
2. Rupee Loan	3,000,000	1,200,000	...
3. Increase of Unfunded Debt, mostly Savings Bank Deposits, net	538,800	291,600	521,900
4. Other items, net	—86,700	1,122,500	844,500
5. *Remittances to Secretary of State, net—*			
(*a*) *Railway Companies' Remittances*	302,500	—62,700	736,000
(*b*) *Other Remittances*	244,300	230,800	222,100
Add—Opening Balance	16,722,352	15,982,443	17,072,043
TOTAL	47,019,652	46,960,843	48,204,543
OUTGOINGS.			
6. Excess Expenditure charged to Provincial Balances	116,800	—1,417,900	924,700
7. Expenditure not charged to Revenue	4,002,300	2,383,700	3,275,600
8. Rupee Debt discharged	325,000	245,200	190,000
9. Loans to Municipalities, etc., net	—62,200	—262,500	248,800
10. *Issues on Capital Account to Railway Companies, net*	1,468,800	873,300	781,300
11. Council Bills—*Sterling Amount*	16,014,500	18,695,200	17,152,100
Exchange	8,945,500	9,371,800	8,952,600
Add—Closing Balance	16,208,952	17,072,043	16,679,443
TOTAL	47,019,652	46,960,843	48,204,543

The headings in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

1898-99. General Summary.

213. The excess of revenue in India over the expenditure charged against it was taken in the Budget Estimate of 1898-99 at Rx. 26,298,400, and it was assumed that it would be possible to pay Rx. 24,960,000 on account of Council Bills during the year with the help of a rupee loan of Rx. 3,000,000 and with a reduction in the cash balances of Rx. 513,400. The early cessation of warlike operations on the frontier, the partial failure of the opium crop which reduced the payments to cultivators, and a satisfactory improvement in Railway and other revenues so far improved the cash balances as to enable Government to reduce the rupee loan of the year to Rx. 1,200,000 without curtailing the drawings of the Secretary of State in the early part of the year. As the year advanced, a steady increase of the revenue and large lapses in the grants for Capital expenditure added constantly to the balances and rendered it possible to meet without difficulty payments for Council Bills considerably in excess of the Budget Estimate. It is now estimated that the revenue in excess of expenditure will amount to Rx. 28,196,200; that the balances of Provincial Governments and Local Funds will be increased by Rx. 1,417,900 instead of being reduced by Rx. 116,800 as anticipated in the Budget; and that the Capital expenditure of Government not charged to Revenue will be Rx. 1,618,600 less than the original estimate. The net result of these and other variations is that in spite of the proposed rupee loan having been reduced by Rx. 1,800,000, Rx. 28,067,000 will be paid on account of Council Bills, and the year will close with a cash balance of Rx. 17,072,043, being Rx. 1,089,600 in excess of the opening balance of the year.

Rupee Loan of 1898-99.

214. It was announced in paragraph 200 of the last Financial Statement that a new loan of Rx. 3,000,000 would be raised in India in 1898-99. But owing to the scarcity of loanable Capital, due partly to famine and plague and partly to the Exchange Banks having remitted their surplus balances to England, the prospects of raising such a large amount in the Indian market were unfavourable. As a review of the Ways and Means in June 1898 showed that owing to a general improvement in revenue prospects a loan of Rx. 1,200,000 might be sufficient, it was decided to borrow that amount only. The state of the market made it impossible to attempt a 3 per cent loan, and the loan was therefore raised at $3\frac{1}{2}$ per cent as in 1897-98.

The loan of Rx. 1,200,000 was issued on 30th July 1898, and tenders for it were received on 24th August 1898. The unfavourable state of the money market affected the result, and the loan was raised at a discount of ₹5-$3\frac{1}{2}$ annas per cent.

1899-1900. Main features.

215. The Revenue Account for 1899-1900 as now made up closes with a surplus of Rx. 3,932,600. The Capital expenditure on Railways and Canals not charged to Revenue must of necessity be provided for either from the surplus revenue, or by reducing the cash balances, or by contracting a loan. In 1899-1900 the requirements for Capital expenditure are:—

	Rx.
(1) Government expenditure in India . .	3,275,600
(2) Government expenditure in England (£ 682,100 converted at $15\frac{3}{4}d.$ the rupee)	1,039,400
(3) Net disbursements to Railway Companies in India .	1,355,600
(4) Net disbursements to Railway Companies in England (£475,700 converted at $15\frac{3}{4}d.$ the rupee) . . .	724,900
TOTAL .	6,395,500

Of the total sum of Rx. 6,395,500 thus required in England and in India for the purpose of Capital expenditure during 1899-1900, £1,187,100 or

Rx. 2,266,100 has already been rendered available in the manner explained in paragraph 210 above by the increase in the Secretary of State's balances resulting from the larger drawings of Council Bills during the current year, and the remainder Rx. 4,129,400 will be more than covered by the surplus revenue estimated at Rx. 3,932,600 and an estimated reduction in the cash balances in India of Rx. 392,600. Accordingly no new rupee loan will be required in India for the purpose of Capital expenditure in 1899-1900.

Apart from the revenue surplus mentioned above, there will be a net receipt on account of Unfunded Debt—chiefly Savings Bank deposits—of Rx. 521,900, and Rx. 603,900 (included in "Other items" in the table in paragraph 212) out of the Famine Insurance Grant of Rx. 1,500,000 will be available for appropriation in reduction of debt. Against these important receipts there will be taken the expenditure of Provincial Governments from accumulated balances (Rx. 924,700), the payments for rupee debt discharged (Rx. 190,000), and the loans by Government (Rx. 248,800). The payments of Council Bills in 1899-1900 as entered in the Estimates will be Rx. 26,104,700 including exchange, or Rx. 1,144,700 more than the corresponding figure in the Budget Estimates of 1898-99.

216. As above stated, no rupee loan in India will be required in 1899-1900, and it is not the present intention of the Government of India to raise any such loan in the year. Full liberty is, however, reserved as usual to alter the programme, as now announced, to any extent that may be considered desirable.

Savings Banks, etc.

217. The following table gives the details of the transactions of Savings Banks during the last few years and the estimated transactions for 1898-99 and 1899-1900 :—

Year.	Net additions to deposits, cash.	Interest.	Total addition.
1890-91	250,700	279,700	530,400
1891-92	517,900	306,200	824,100
1892-93	548,900	339,400	888,300
1893-94	179,900	368,000	547,900
1894-95	—84,500	297,000	212,500
1895-96	247,700	338,500	586,200
1896-97	—581,100	346,600	—234,500
1897-98	—657,100	327,000	—330,100
1898-99, Budget	156,700	327,500	484,200
1898-99, Revised	—90,300	325,700	235,400
1899-1900, Budget	126,500	336,600	463,100

218. The Budget Estimate of 1898-99 anticipated a small addition of Rx. 156,700 to the net deposits, but according to the present estimates there will be a net withdrawal of Rx. 90,300 apart from interest. This result is attributed to the low price ruling for Government securities throughout the greater part of the year having encouraged small investors to withdraw their money from Savings Banks and buy Government paper. The price of $3\frac{1}{2}$ per cent Government securities is now above par, and in preparing the Budget Estimates for 1899-1900 allowance has been made for a small addition to the net deposits of Rx. 126,500.

Loans by Government for local purposes.

219. The transactions during the year 1898-99 under the head of Loans by Government are now expected to result in a net receipt of Rx. 262,500 against Rx. 62,200 entered in the Budget Estimate, an increase in the receipts of Rx. 200,300. This increase is made up of an increase in the recoveries of Rx. 174,400 and a decrease in the advances of Rx. 25,900. As is usually the case, the allotments asked for by Provincial Governments on behalf of local

authorities could not be fully utilised by reason of delays in maturing the schemes of improvement for which the loans were required. The amounts so lapsing are largest in the North-Western Provinces and Oudh.

The recoveries were also larger than the original estimates, chiefly in the Central Provinces and the North-Western Provinces.

Provision has been made in the Budget Estimate of 1899-1900 for net issues on account of loans to the extent of Rx. 248,800 made up of allotments of advances aggregating Rx. 989,600 and recoveries of past loans, Rx. 740,800. The following are the figures of gross recoveries and issues for the six years ending 1899-1900:—

	Issues.	Recoveries.
1894-95	686,806	512,267
1895-96	744,789	506,246
1896-97	1,337,194	542,638
1897-98	1,466,739	958,153
1898-99, Revised	771,700	1,034,200
1899-1900, Budget	989,600	740,800

It will be observed that the large issues of the later years of the period have been to a great extent met by large recoveries which in their turn were rendered possible by the liberal scale on which certain classes of loans were given in years of scarcity. The estimates for next year include a large provision for loans to agriculturists and cultivators in the Punjab required partly for the relief of distress apprehended in the Hissar District, but chiefly in connection with the Chenab Canal Colonisation Project from which a substantial increase of revenue is expected. Allowance has been made for plague loans as far as they can be foreseen at present. A sum of Rx. 100,000 representing the Capital cost of the Umaria Colliery is also included in the figures as a loan to the Rewa Durbar. The Colliery will be transferred to the Durbar with effect from 1st April 1899, and pending recovery of the cost the amount is written off the Capital Account of Railways by transfer to the Loan Account.

Cash Balance.

220. The year 1899-1900 is estimated to close with a cash balance in the Indian Treasuries of Rx. 16,679,443, which is less than the opening balance of the year by Rx. 392,600.

J. WESTLAND.

CALCUTTA;
March 20, 1899.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

Accounts	1897-98
Revised Estimates . . .	1898-99
Budget Estimates . . .	1899-1900

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General Statement of the Accounts and Estimates of the Revenu
India, in India

	For details, *vide* Statement.	RECEIPTS. Accounts, 1897-98.	Budget Estimate, 1898-99.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	25,683,642	27,568,200	27,679,400	27,641,900
Opium	„	5,179,772	5,329,800	5,679,400	6,003,700
Salt	„	8,594,225	8,728,000	9,047,200	8,757,200
Stamps	„	4,837,043	4,855,900	4,839,900	4,397,100
Excise	„	5,489,454	5,717,300	5,731,000	5,778,200
Customs	„	4,641,295	4,590,500	4,898,400	4,648,700
Other Heads	„	8,728,842	8,870,100	9,113,900	9,090,400
TOTAL PRINCIPAL HEADS Rx.	...	63,154,273	65,659,800	66,989,200	66,817,200
Interest	A	872,241	929,800	970,100	928,900
Post Office, Telegraph, and Mint	„	3,370,548	3,203,900	3,054,400	3,065,200
Receipts by Civil Departments	„	1,723,511	1,733,000	1,748,400	1,775,500
Miscellaneous	„	940,994	918,600	984,700	854,500
Railways	„	21,260,886	21,823,600	22,736,400	23,460,900
Irrigation	„	3,569,864	3,228,100	3,461,700	3,451,100
Buildings and Roads	„	667,823	678,700	696,400	688,900
Receipts by Military Department	„	881,864	909,900	924,800	919,300
TOTAL REVENUE Rx.	...	96,442,004	99,085,400	101,566,100	101,961,500
Debt, Deposits, and Advances—					
Permanent Debt (net Incurred)	C	6,077,779	5,290,300	2,867,600	...
Temporary Debt (net Incurred)	„	5,000,000	...	...	...
Unfunded Debt (net Incurred)	„	...	538,800	291,600	521,900
Deposits and Advances (net)	„	2,944,660	598,600	869,900	...
Loans and Advances by Imperial Government (net Repayments)	„	44,963	91,300	40,000	...
Loans and Advances by Provincial Governments (net Repayments)	„	...	...	222,500	...
Remittances (net)	„	...	53,000	745,200	...
Secretary of State's Bills drawn	„	9,506,077	16,000,000	19,000,000	17,000,000
TOTAL RECEIPTS	...	120,015,483	121,657,400	125,602,900	119,483,400
Balance on 1st April—India Rx.	...	13,873,752	16,722,352	15,982,443	17,072,043
England £	...	2,832,354	2,168,254	2,534,244	4,304,444
GRAND TOTAL	...	136,721,589	140,548,006	144,119,587	140,859,887

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
The 20th March 1899.

W. H. DOBBIE,
Deputy Comptroller General.

and Expenditure and Receipts and Disbursements of the Government of and in England.

	For details, *vide* Statement.	DISBURSEMENTS. Accounts, 1897-98.	Budget Estimate, 1898-99.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
Expenditure—					
Direct Demands on the Revenues	B	10,816,813	11,210,900	10,712,300	11,353,600
Interest	„	3,472,260	3,378,600	3,076,800	3,014,200
Post Office, Telegraph, and Mint	„	2,869,525	2,932,000	2,890,900	2,984,400
Salaries and Expenses of Civil Departments	„	15,739,547	15,694,800	15,715,900	16,383,100
Miscellaneous Civil Charges	„	5,716,826	5,777,600	5,774,200	5,843,500
Famine Relief and Insurance	„	5,363,125	1,099,200	1,176,100	1,129,600
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	„	3,792	5,800	4,200	3,600
Railway Revenue Account	„	22,693,502	23,921,400	23,614,500	24,341,500
Irrigation	„	3,144,085	3,213,100	3,222,100	3,334,800
Buildings and Roads	„	5,418,936	6,021,500	5,842,100	6,806,400
Army Services	„	26,996,774	25,055,900	24,051,300	23,758,900
Special Defence Works	„	23,708	...	8,400	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL Rx.	...	102,258,893	98,310,800	96,088,800	98,953,600
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B	203,232	137,500	1,419,900	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances	„	*660,910*	*254,300*	*2,000*	*924,700*
TOTAL EXPENDITURE CHARGED AGAINST REVENUE Rx.	...	101,801,215	98,194,000	97,506,700	98,028,900
Expenditure not charged to Revenue—					
Capital Outlay on Railways and Irrigation Works Rx.	End of B	4,328,541	5,749,300	3,570,300	4,315,000
Debt, Deposits, and Advances—					
Permanent Debt (net Discharged)	C	...	...	...	190,000
Temporary Debt (net Discharged)	„	...	...	1,500,000	...
Unfunded Debt (net Discharged)	„	308,186	...	...	...
Deposits and Advances (net)	„	...	...	...	124,600
Loans and Advances by Imperial Government (net Advances)	„	...	...	...	11,800
Loans and Advances by Provincial Governments (net Advances)	„	553,549	29,100	...	237,000
Capital of Railway Companies (net Payments)	„	1,496,837	2,109,300	1,470,900	1,257,000
Remittances (net)	„	333,829	...	...	46,700
Secretary of State's Bills paid	„	9,472,745	16,014,500	18,695,200	17,152,100
TOTAL DISBURSEMENTS	...	118,204,902	122,096,200	122,743,100	121,363,100
Balance on 31st March—India Rx.	...	15,982,443	16,208,952	17,072,043	16,679,443
England £	...	2,534,244	2,242,854	4,304,444	2,817,344
GRAND TOTAL	...	136,721,589	140,548,006	144,119,587	140,859,887
Revenue		96,442,004	99,085,400	101,566,100	101,961,500
Expenditure chargeable thereon		101,801,215	98,194,000	97,506,700	98,028,900
Surplus (+) Deficit (−)	Rx.	*−5,359,211*	+891,400	+4,059,400	+3,932,600

A. F. COX,
Comptroller General.

H. H. RISLEY,
Offg. Secretary to the Government of India.

A.—*Statement of the Revenue of*

HEADS OF REVENUE.	ACCOUNTS, 1897-98.					REVISED
	India.		England.	Exchange.* 15·354d.	Total.	India.
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
Principal Heads of Revenue—	*Rx.*	*Rx.*	£	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	14,526,340	11,157,302	...	...	25,683,642	15,135,000	12,544,400
II.—Opium	5,179,772	...	...	...	5,179,772	5,679,400	...
III.—Salt	8,581,447	12,778	...	...	8,594,225	8,954,000	93,200
IV.—Stamps	1,246,394	3,590,649	...	...	4,837,043	1,240,600	3,599,300
V.—Excise	3,717,352	1,772,102	...	...	5,489,454	3,880,900	1,850,100
VI.—Provincial Rates	4,547	3,718,743	...	...	3,723,290	4,200	3,947,900
VII.—Customs	4,608,681	32,614	...	...	4,641,295	4,859,300	39,100
VIII.—Assessed Taxes	1,061,665	833,800	...	...	1,895,465	1,082,100	848,000
IX.—Forest	900,630	838,884	...	...	1,739,514	940,600	897,400
X.—Registration	244,335	242,209	...	...	486,544	228,000	226,000
XI.—Tributes from Native States	884,029	...	...	...	884,029	939,700	...
TOTAL	40,955,192	22,199,081	...	...	63,154,273	42,943,800	24,045,400
XII.—Interest	658,712	181,969	20,190	11,370	872,241	705,400	222,700
Post Office, Telegraph, and Mint—							
XIII.—Post Office	1,869,217	9,946	...	...	1,879,163	1,885,600	10,600
XIV.—Telegraph	1,302,823	...	4,163	2,344	1,309,330	1,070,600	...
XV.—Mint	182,044	...	7	4	182,055	76,500	...
TOTAL	3,354,084	9,946	4,170	2,348	3,370,548	3,032,700	10,600
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	5,814	351,099	...	...	356,913	7,500	363,300
XVI.—Law and Justice { Jails	29,746	276,534	...	...	306,280	29,000	299,100
XVII.—Police	1,404	446,926	...	...	448,330	1,300	437,000
XVIII.—Marine	47,759	152,965	...	...	200,724	30,800	158,600
XIX.—Education	1,623	215,895	...	...	217,518	2,100	229,200
XX.—Medical	207	87,467	1,622	913	90,209	200	85,800
XXI.—Scientific and other Minor Departments	10,972	92,091	303	171	103,537	10,900	90,800
TOTAL	97,525	1,622,977	1,925	1,084	1,723,511	81,800	1,663,800
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	150,779	55,516	87,639	49,351	343,285	127,400	52,300
XXIII.—Stationery and Printing	31,001	49,002	...	...	80,003	30,300	54,000
XXIV.—Exchange	43,970	...	...	...	43,970	54,000	...
XXV.—Miscellaneous	143,911	325,247	2,929	1,649	473,736	164,800	344,600
TOTAL	369,661	429,765	90,568	51,000	940,994	376,500	450,900
Railways—							
XXVI.—State Railways (Gross Receipts)	18,985,869	58,296	230	130	19,044,525	19,639,000	56,800
XXVII.—Guaranteed Companies (Net Traffic Receipts)	2,201,392	...	...	...	2,201,392	2,995,000	...
XXVIII.—Subsidized Companies (Repayment of Advances of Interest)	12,990	...	1,266	713	14,969	44,800	...
TOTAL	21,200,251	58,296	1,496	843	21,260,886	22,678,800	56,800
Irrigation—							
XXIX.—Major Works: Direct Receipts	1,265,377	1,112,367	...	...	2,377,744	1,551,600	673,600
Portion of Land Revenue due to Irrigation	964,738	...	...	...	964,738	989,700	...
XXX.—Minor Works and Navigation	57,359	170,023	...	...	227,382	78,900	167,900
TOTAL	2,287,474	1,282,390	...	...	3,569,864	2,620,200	841,500
Buildings and Roads—							
XXXI.—Military Works	52,561	...	...	...	52,561	54,200	...
XXXII.—Civil Works	10,440	559,631	28,911	16,280	615,262	10,500	586,600
TOTAL	63,001	559,631	28,911	16,280	667,823	64,700	586,600
Receipts by Military Department—							
XXXIII.—Army: Effective	647,207	...	31,959	17,997	697,163	699,600	...
Non-effective	88,502	...	14,443	8,133	111,078	90,700	...
Warlike operations	73,623	...	...	...	73,623	44,900	...
TOTAL	809,332	...	46,402	26,130	881,864	835,200	
TOTAL REVENUES	69,795,232	26,344,055	193,652	109,055	96,442,004	73,339,700	27,878,300

* The columns headed "Exchange" show under the several heads of Revenue and Expenditure which include transactions in England the Exchange thereon calculated in accordance with the average Rate obtained or estimated to be obtained for Bills and Telegraphic Transfers sold during the year.

INDIA, in India and in England.

ESTIMATE, 1898-99.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	BUDGET ESTIMATE, 1899-1900.					Increase + Decrease — of Budget, 1899-1900, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	Increase + Decrease — of Budget, 1899-1900, as compared with Revised Estimates, 1898-99. (Excluding Exchange.)
				INDIA.						
England.	Exchange.* 16*d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange* 15 3/4*d.*	TOTAL.		
£	*Rx.*	*Rx.*		*Rx.*	*Rx.*	£	*Rx.*	*Rx.*		
...	...	27,679,400	+ 111,200	16,014,700	11,627,200	...	...	27,641,900	+ 73,700	— 37,500
...	...	5,679,400	+ 349,600	6,003,700	...	...	...	6,003,700	+ 673,900	+ 324,300
...	...	9,047,200	+ 319,200	8,661,900	95,300	...	...	8,757,200	+ 29,200	— 290,000
...	...	4,839,900	— 16,000	1,257,400	3,639,700	...	...	4,897,100	+ 41,200	+ 57,200
...	...	5,731,000	+ 13,700	3,911,800	1,866,400	...	...	5,778,200	+ 60,900	+ 47,200
...	...	3,952,100	+ 92,100	4,200	3,947,300	...	...	3,951,500	+ 91,500	— 600
...	...	4,898,400	+ 307,900	4,599,300	49,400	...	...	4,648,700	+ 58,200	— 249,700
...	...	1,930,100	+ 37,200	1,092,300	856,500	...	...	1,948,800	+ 55,900	+ 18,700
...	...	1,838,000	+ 102,400	919,200	871,500	...	...	1,790,700	+ 55,100	— 47,300
...	...	454,000	— 8,200	232,000	229,700	...	...	461,700	— 500	+ 7,700
...	...	939,700	+ 20,300	937,700	...	...	...	937,700	+ 18,300	— 2,000
...	...	66,989,200	+ 1,329,400	43,634,200	23,183,000	...	...	66,817,200	+ 1,157,400	— 172,000
28,000	14,000	970,100	+ 31,900	700,100	213,500	10,000	5,300	928,900	— 600	— 32,500
...	...	1,896,200	+ 3,000	1,892,600	10,700	...	...	1,903,300	+ 10,100	+ 7,100
7,400	3,700	1,081,700	— 151,600	1,095,000	...	4,200	2,200	1,101,400	— 130,400	+ 21,200
...	...	76,500	— 2,300	60,500	...	...	...	60,500	— 18,300	— 16,000
7,400	3,700	3,054,400	— 150,900	3,048,100	10,700	4,200	2,200	3,065,200	— 138,600	+ 12,300
...	...	370,800	+ 700	7,800	361,200	...	...	369,000	— 1,100	— 1,800
...	...	328,100	— 7,200	32,100	316,600	...	...	348,700	+ 13,400	+ 20,600
...	...	438,300	— 12,100	1,400	439,400	...	...	440,800	— 9,600	+ 2,500
...	...	189,400	+ 39,600	21,200	156,200	...	...	177,400	+ 27,600	— 12,000
...	...	231,300	— 4,600	2,500	234,400	...	...	236,900	+ 1,000	+ 5,600
1,500	700	88,200	— 1,300	200	87,000	1,500	800	89,500	— 100	+ 1,200
400	200	102,300	+ 400	10,800	102,000	300	100	113,200	+ 11,400	+ 11,000
1,900	900	1,748,400	+ 15,500	76,000	1,696,800	1,800	900	1,775,500	+ 42,600	+ 27,100
93,400	46,700	319,800	— 900	125,000	52,900	90,400	47,400	315,700	— 5,700	— 4,800
...	...	84,300	+ 2,400	30,400	52,300	...	...	82,700	+ 800	— 1,600
...	...	54,000	— 46,000	69,000	...	...	...	69,000	— 31,000	+ 15,000
11,500	5,700	526,600	+ 111,100	67,200	316,100	2,500	1,300	387,100	— 24,000	— 135,100
104,900	52,400	984,700	+ 66,600	291,600	421,300	92,900	48,700	854,500	— 59,900	— 126,500
200	100	19,696,100	+ 313,200	20,175,500	61,600	200	100	20,237,400	+ 854,500	+ 541,300
...	...	2,995,000	+ 571,000	3,192,500	...	...	...	3,192,500	+ 768,500	+ 197,500
300	200	45,300	+ 28,400	29,500	...	1,000	500	31,000	+ 13,800	— 14,600
500	300	22,736,400	+ 912,600	23,397,500	61,600	1,200	600	23,460,900	+ 1,636,800	+ 724,200
...	...	2,225,200	+ 193,200	1,504,100	667,700	...	...	2,171,800	+ 139,800	— 53,400
...	...	989,700	+ 17,700	1,043,100	...	...	...	1,043,100	+ 71,100	+ 53,400
...	...	246,800	+ 22,700	73,000	163,200	...	...	236,200	+ 12,100	— 10,600
...	...	3,461,700	+ 233,600	2,620,200	830,900	...	...	3,451,100	+ 223,000	— 10,600
...	...	54,200	+ 3,900	50,900	...	...	...	50,900	+ 600	— 3,300
30,100	15,000	642,200	+ 14,700	10,500	582,400	29,600	15,500	638,000	+ 10,000	— 4,700
30,100	15,000	696,400	+ 18,600	61,400	582,400	29,600	15,500	688,900	+ 10,600	— 8,000
44,700	22,400	766,700	— 10,100	733,400	...	51,900	27,200	812,500	+ 30,900	+ 41,000
15,000	7,500	113,200	+ 6,900	83,200	...	15,500	8,100	106,800	— 100	— 7,000
...	...	44,900	+ 15,800	...	...	...	...	...	— 29,100	— 44,900
29,700	29,900	924,800	+ 12,600	816,600	...	67,400	35,300	919,300	+ 1,700	— 10,900
232,500	116,200	101,566,100	+ 2,469,900	74,645,700	27,000,200	207,100	108,500	101,961,500	+ 2,873,000	+ 403,100
		Add—Increase on account of Exchange Rx.	+ 10,800					*Add*—Increase (+) or *Deduct*—Decrease (—) on account of Exchange Rx.	+ 3,100	— 7,700
		TOTAL INCLUDING EXCHANGE Rx.	+ 2,480,700					TOTAL INCLUDING EXCHANGE Rx.	+ 2,876,100	+ 395,400

B.—*STATEMENT of the EXPENDITURE chargeable on the*

HEADS OF EXPENDITURE.	ACCOUNTS, 1897-98.					REVISED	
	INDIA.		England.	Exchange.* 15·354d.	TOTAL.	INDIA.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
Direct Demands on the Revenues—	*Rx.*	*Rx.*	£	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	201,722	82,622	...	...	284,344	214,100	80,800
2.—Assignments and Compensations	505,635	1,036,113	...	...	1,541,748	516,600	1,041,900
Charges in respect of Collection, *viz.*:—							
3.—Land Revenue	107,253	4,078,940	901	507	4,187,601	110,800	3,972,100
4.—Opium (including cost of Production)	2,386,221	...	1,853	1,043	2,389,117	2,348,800	...
5.—Salt (including cost of Production)	433,578	39,437	468	264	473,747	426,000	39,600
6.—Stamps	—40,910	138,908	35,844	20,185	154,027	—40,300	137,400
7.—Excise	159,149	81,122	123	69	240,463	160,700	82,300
8.—Provincial Rates	...	52,530	...	...	52,530	...	55,700
9.—Customs	81,531	129,848	...	...	211,379	81,000	134,100
10.—Assessed Taxes	16,191	16,087	...	...	32,278	16,700	16,400
11.—Forest	525,361	469,807	4,172	2,349	1,001,689	521,700	474,400
12.—Registration	124,262	123,628	...	...	247,890	124,000	123,500
TOTAL	4,499,993	6,249,042	43,361	24,417	10,816,813	4,480,100	6,158,200
Interest—							
13.—Interest on Debt	3,110,536	709,188	4,069,144	2,291,416	10,180,284	3,210,700	719,300
Deduct—Amounts chargeable to Railways†	4,079,009	...	1,189,929	670,073	5,939,011	4,267,500	...
„ Amounts chargeable to Irrigation	729,480	554,769	...	...	1,284,249	754,500	559,100
Remainder chargeable on Ordinary Debt	—1,697,953	154,419	2,879,215	1,621,343	2,957,024	—1,811,300	160,200
14.—Interest on other Obligations	510,620	4,536	51	29	515,236	514,900	4,000
TOTAL	—1,187,333	158,955	2,879,266	1,621,372	3,472,260	—1,296,400	164,200
Post Office, Telegraph, and Mint—							
15.—Post Office	1,429,323	132,639	107,165	60,347	1,729,474	1,438,200	127,900
16.—Telegraph	767,971	...	181,383	102,140	1,051,494	790,000	...
17.—Mint	80,273	...	5,300	2,984	88,557	109,700	...
TOTAL	2,277,567	132,639	293,848	165,471	2,869,525	2,337,900	127,900
Salaries and Expenses of Civil Departments—							
18.—General Administration	652,089	935,927	257,745	145,141	1,990,902	632,100	948,800
19.—Law and Justice { Courts	31,900	3,100,581	3,013	1,697	3,137,191	27,000	3,047,900
19.—Law and Justice { Jails	144,143	974,560	...	...	1,118,703	143,000	885,800
20.—Police	59,162	4,173,693	683	385	4,233,923	61,600	4,112,400
21.—Marine (including River Navigation)	164,737	180,025	213,853	120,425	679,040	154,000	177,500
22.—Education	17,319	1,561,344	1,541	868	1,581,072	17,700	1,572,000
23.—Ecclesiastical	173,579	...	245	138	173,962	170,500	...
24.—Medical	29,505	1,299,447	16,931	9,534	1,355,417	40,600	1,502,300
25.—Political	833,030	62,730	24,349	13,711	933,820	825,600	70,400
26.—Scientific and other Minor Departments	300,272	194,434	26,109	14,702	535,517	320,600	209,500
TOTAL	2,405,736	12,482,741	544,469	306,601	15,739,547	2,392,700	12,526,600
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	427,871	...	9,332	5,255	442,458	419,400	...
28.—Civil Furlough and Absentee Allowances	763	...	187,640	105,664	294,067	1,700	...
29.—Superannuation Allowances and Pensions	83,166	965,429	1,901,744	1,070,910	4,021,249	81,200	987,000
30.—Stationery and Printing	116,364	522,619	54,449	30,661	724,093	121,200	514,400
32.—Miscellaneous	40,164	152,714	26,921	15,160	234,959	58,300	154,700
TOTAL	668,328	1,640,762	2,180,086	1,227,650	5,716,826	681,800	1,656,100
Famine Relief and Insurance—							
33.—Famine Relief	4,678,777	644,111	1,740	980	5,325,608	9,500	35,100
34.—Construction of Protective Railways	...	...	...	...	...	695,400	...
35.—Construction of Protective Irrigation Works	37,517	...	...	...	37,517	13,500	...
36.—Reduction of Debt	...	...	...	...	...	422,600	...
TOTAL††	4,716,294	644,111	1,740	980	5,363,125	1,141,000	35
Carried over	13,380,585	21,308,250	5,942,770	3,346,491	43,978,096	9,737,100	20,668,10

* See foot-note to Statement A.

† Included under the following heads:—

	ACCOUNTS, 1897-98.				REVISED ESTIMATE, 1898-99.			
	India.	England.	Exchange.	TOTAL.	India.	England.*	Exchange.	TOTAL.
	Rx.	£	*Rx.*	*Rx.*	*Rx.*	£	*Rx.*	*Rx.*
State Railways Interest on Debt	3,991,278	971,045	546,815	5,509,138	4,135,100	966,900	483,500	5,585,500
Interest chargeable against Companies on Advances	87,731	218,884	123,258	429,873	132,400	218,900	109,500	460,800
TOTAL	4,079,009	1,189,929	670,073	5,939,011	4,267,500	1,185,800	593,000	6,046,300

Revenues of India, in India and in England.

ESTIMATE, 1898-99.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	BUDGET ESTIMATE, 1899-1900.					Increase + Decrease — of Budget, 1899-1900, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	Increase + Decrease — of Budget, 1899-1900, as compared with Revised Estimates, 1898-99. (Excluding Exchange.)
				INDIA.						
England.	Exchange.* 16*d.*	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 15⅞*d.*	TOTAL.		
£	*Rx.*	*Rx.*		*Rx.*	*Rx.*	£	*Rx.*	*Rx.*		
...	...	294,900	—15,800	218,100	79,300	...	...	297,400	— 13,300	+ 2,500
...	...	1,558,500	—10,900	527,600	1,053,600	...	...	1,581,200	+ 11,800	+ 22,700
1,400	700	4,085,000	—59,100	106,100	4,102,000	900	400	4,209,400	+ 65,600	+ 124,700
1,600	800	2,351,200	—305,000	2,653,900	...	2,200	1,100	2,657,200	+ 700	+ 305,700
300	200	466,100	—53,500	491,200	45,200	600	300	537,300	+ 17,600	+ 71,100
36,500	18,200	151,800	—3,900	—41,700	142,100	39,300	20,600	160,300	+ 2,200	+ 6,100
...	...	243,000	—7,100	173,100	88,500	100	100	261,800	+ 11,600	+ 18,700
...	...	55,700	+ 3,300	....	60,600	...	...	60,600	+ 8,200	+ 4,900
100	100	215,300	—100	81,900	150,200	100	100	232,300	+ 16,900	+ 17,000
...	...	33,100	+ 400	16,800	16,700	...	...	33,500	+ 800	+ 400
9,400	4,700	1,010,200	—41,600	552,800	503,900	7,200	3,800	1,067,700	+ 16,800	+ 58,400
...	...	247,500	—3,800	127,600	127,300	...	...	254,900	+ 3,600	+ 7,400
49,300	24,700	10,712,300	—497,100	4,907,400	6,369,400	50,400	26,400	11,353,600	+ 142,500	+ 639,600
3,991,700	1,995,900	9,917,600	—140,500	3,226,000	723,500	4,022,600	2,107,000	10,079,100	—90,100	+ 50,400
1,185,800	*593,000*	*6,046,300*	+ 54,100	*4,454,500*	...	*1,178,500*	*617,300*	*6,250,300*	—125,600	—179,700
...	...	*1,313,600*	+ 900	*782,800*	*563,100*	...	...	*1,345,900*	—31,400	—32,300
2,805,900	1,402,900	2,557,700	—85,500	—2,011,300	160,400	2,844,100	1,489,700	2,482,900	—247,100	—161,600
100	100	519,100	—1,200	526,900	4,200	100	100	531,300	+ 11,000	+ 12,200
2,806,000	1,403,000	3,076,800	—86,700	—1,484,400	164,600	2,844,200	1,489,800	3,014,200	—236,100	—149,400
110,000	55,000	1,731,100	—37,400	1,515,200	131,700	94,700	49,600	1,791,200	+ 28,100	+ 65,500
169,900	84,900	1,044,800	—26,900	850,300	...	181,900	95,300	1,127,500	+ 45,400	+ 72,300
3,500	1,800	115,000	+ 49,000	63,700	...	1,300	700	65,700	+ 800	—48,200
283,400	141,700	2,890,900	—15,300	2,429,200	131,700	277,900	145,600	2,984,400	+ 74,300	+ 89,600
253,300	126,700	1,960,900	+ 11,200	637,100	942,100	253,300	132,700	1,965,200	+ 9,500	—1,700
1,300	600	3,076,800	—43,400	27,400	3,127,600	400	200	3,155,600	+ 35,800	+ 79,200
...	...	1,028,800	—46,200	148,100	935,800	...	...	1,083,900	+ 8,900	+ 55,100
800	400	4,175,200	—26,400	64,900	4,238,100	600	300	4,303,900	+ 102,400	+ 128,800
215,500	107,800	654,800	—4,000	158,200	193,000	226,500	118,700	696,400	+ 26,700	+ 30,700
1,900	900	1,592,500	—59,900	18,900	1,654,300	1,500	800	1,675,500	+ 23,200	+ 83,100
800	400	171,700	—16,700	185,200	...	400	200	185,800	—2,400	+ 14,300
10,700	5,300	1,558,900	+ 331,800	248,000	1,430,100	10,300	5,400	1,693,800	+ 466,600	+ 134,800
24,100	12,100	932,200	—81,600	908,200	72,100	23,700	12,400	1,016,400	+ 2,300	+ 83,900
22,700	11,300	564,100	—10,600	332,700	232,900	26,900	14,100	606,600	+ 29,100	+ 39,700
531,100	265,500	15,715,900	+ 54,200	2,728,700	12,826,000	543,600	284,800	16,383,100	+ 703,100	+ 647,900
11,400	5,700	436,500	+ 7,200	410,300	...	11,400	6,000	427,700	—1,900	—9,100
262,300	131,100	395,100	+ 37,300	700	...	226,000	118,400	345,100	...	—37,300
1,944,000	972,000	3,984,200	+ 14,200	78,600	1,014,600	1,969,000	1,031,400	4,093,600	+ 64,200	+ 50,000
48,500	24,200	708,300	+ 21,400	111,700	535,000	49,300	25,800	721,800	+ 33,300	+ 11,900
24,700	12,400	250,100	+ 21,000	33,200	180,700	27,200	14,200	255,300	+ 24,400	+ 3,400
2,290,900	1,145,400	5,774,200	+ 101,100	634,500	1,730,300	2,282,900	1,195,800	5,843,500	+ 120,000	+ 18,900
...	...	44,600	—40,500	200	5,500	...	...	5,700	—79,400	—38,900
...	...	695,400	+ 27,100	490,000	...	...	...	490,000	—178,300	—205,400
...	...	13,500	—6,500	30,000	...	...	...	30,000	+ 10,000	+ 16,500
...	...	422,600	+ 96,800	603,900	...	...	...	603,900	+ 278,100	+ 181,300
...	...	1,176,100	+ 76,900	1,124,100	5,500	...	...	1,129,600	+ 30,400	—46,500
5,960,700	2,980,700	39,346,200	—366,900	10,339,500	21,227,500	5,999,000	3,142,400	40,708,400	+ 833,200	+ 1,200,100

BUDGET ESTIMATE, 1899-1900.

India.	England.	Exchange.	TOTAL.
Rx.	£	*Rx.*	*Rx.*
4,284,400	959,600	502,600	5,746,600
170,100	218,900	114,700	503,700
4,454,500	1,178,500	617,300	6,250,300

†† The following further sums, which are included under XXVI and 38.—State Railways, are chargeable to the grant for Famine Relief and Insurance as representing the net charge on the Revenues on account of Protective Railways constructed through the agency of Companies :—

	Accounts, 1897-98.	Revised Estimate, 1898-99.	Budget Estimate. 1899-1900.
Indian Midland Railway .	152,381	130,200	136,100
Bengal-Nagpur Railway .	200,567	195,700	234,300
TOTAL . Rx.	352,948	323,900	370,400

B.—*STATEMENT of the EXPENDITURE chargeable on the*

HEADS OF EXPENDITURE.	ACCOUNTS, 1897-98.					REVISED
	INDIA.		England.	Exchange.* 15·354*d.*	TOTAL.	INDIA.
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	Rx.	*Rx.*	£	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward .	13,380,585	21,308,250	5,942,770	3,346,491	43,978,096	9,737,100	20,668,100
37.—**Construction of Railways** (Charged against Revenue in addition to that under Famine Insurance)	...	3,792	...	...	3,792	...	4,200
Railway Revenue Account—							
38.—State Railways: Working Expenses .	9,156,546	44,656	...	...	9,201,202	9,826,200	50,400
Interest on Debt . .	3,991,278	...	971,045	546,815	5,509,138	4,135,100	...
Annuities in purchase of Railways . . .	...	...	1,712,419	964,296	2,676,715	...	...
Interest chargeable against Companies on Advances .	87,731	...	218,884	123,258	429,873	132,400	...
Interest on Capital deposited by Companies .	16,584	...	784,779	441,925	1,243,288	16,100	...
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision .	126,213	...	...	...	126,213	418,900	...
Interest . .	8,899	...	2,154,784	1,213,401	3,377,084	10,900	...
40.—Subsidized Companies: Land, etc. .	103,577	10,183	...	...	113,760	138,900	10,200
41.—Miscellaneous Railway Expenditure .	15,475	754	...	...	16,229	64,600	—500
TOTAL .	13,506,303	55,593	5,841,911	3,289,695	22,693,502	14,743,100	60,100
Irrigation—							
42.—Major Works: Working Expenses .	506,267	385,852	...	...	892,119	537,400	393,600
Interest on Debt .	729,480	554,769	...	...	1,284,249	754,500	559,100
43.—Minor Works and Navigation . .	294,522	671,449	1,117	629	967,717	286,500	687,100
TOTAL .	1,530,269	1,612,070	1,117	629	3,144,085	1,578,400	1,639,800
Buildings and Roads—							
44.—Military Works	1,059,540	...	69,633	39,212	1,168,385	1,113,600	...
45.—Civil Works	302,120	3,822,028	80,866	45,537	4,250,551	405,400	4,088,200
TOTAL .	1,361,660	3,822,028	150,499	84,749	5,418,936	1,519,000	4,088,200
Army Services—							
46.—Army: Effective	15,592,162	...	1,804,263	1,016,016	18,412,441	15,595,900	...
Non-Effective . . .	922,385	...	2,414,845	1,359,847	4,697,077	945,600	...
Warlike operations . . .	3,847,992	...	25,119	14,145	3,887,256	1,023,700	...
TOTAL .	20,362,539	...	4,244,227	2,390,008	26,996,774	17,565,200	...
Special Defence Works—							
47.—Special Defence Works . . .	—4,020	...	17,739	9,989	23,708	100	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	50,137,336	26,801,733	16,198,263	9,121,561	102,258,893	45,142,900	26,460,400
Add—Special Grants to Provincial Governments	...	...	...	...	...	...	700,000
Do.—Portion of Allotments to Provincial Governments not spent by them in the year	...	203,232	...	...	457,678	...	719,900
Deduct—Portion of Provincial Expenditure defrayed from Provincial balances .	...	*660,910*	...	...		...	*2,000*
Total Expenditure charged against Revenue	50,137,336	26,344,055	16,198,263	9,121,561	101,801,215	45,142,900	27,878,300

	ACCOUNTS, 1897-98.			
	India.	England.	Exchange.	Total.
Expenditure not charged to Revenue—				
Capital Outlay, Railways and Irrigation Works—	*Rx.*	£	*Rx.*	*Rx.*
48.—State Railways	2,367,425	809,010	455,570	3,632,005
49.—Irrigation Works	682,157	6,573	3,701	692,431
50.—Miscellaneous Public Improvements	4,105	...	...	4,105
TOTAL .	3,053,687	815,583	459,271	4,328,541

* See foot-note to Statement A.

Revenues of India, in India and in England—continued.

ESTIMATE, 1898-99.			Increase + Decrease— of Revised, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	BUDGET ESTIMATE, 1899-1900.					Increase + Decrease — of Budget, 1899-1900, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	Increase + Decrease—of Budget, 1899-1900, as compared with Revised Estimates, 1898-99. (Excluding Exchange.)
				India.						
England.	Exchange* 16d.	Total.		Imperial.	Provincial and Local.	England.	Exchange* 15⅜d.	Total.		
£	Rx.	Rx.		Rx.	Rx.	£	Rx.	Rx.		
5,960,700	2,980,300	39,346,200	—366,900	10,339,500	21,227,500	5,999,000	3,142,400	40,708,400	+833,200	+1,200,100
...	...	4,200	—1,600	...	3,600	...	...	3,600	—2,200	—600
...	...	9,876,600	+106,100	10,005,000	42,000	...	...	10,047,000	+276,500	+170,400
966,900	483,500	5,585,500	—52,600	4,284,400	...	959,600	502,600	5,746,600	+89,400	+142,000
1,714,000	857,000	2,571,000	—1,800	...	...	1,719,200	900,500	2,619,700	+3,400	+5,200
218,900	109,500	460,800	—1,500	170,100	...	218,900	114,700	503,700	+36,200	+37,700
811,900	405,900	1,233,900	...	17,300	...	853,500	447,100	1,317,900	+42,800	+42,800
...	...	418,900	+106,100	563,500	...	...	...	563,500	+250,700	+144,600
2,162,500	1,081,200	3,254,600	—6,900	8,200	...	2,185,300	1,144,700	3,338,200	+13,200	+20,100
...	...	149,100	—81,200	114,700	10,200	...	...	124,900	—105,400	—24,200
...	...	64,100	—15,900	80,000	...	...	...	80,000	...	+15,900
5,874,200	2,937,100	23,614,500	+52,300	15,243,200	52,200	5,936,500	3,109,600	24,341,500	+606,800	+554,500
...	...	931,000	+12,400	560,000	398,100	...	...	958,100	+39,500	+27,100
...	...	1,313,600	—900	782,800	563,100	...	...	1,345,900	+31,400	+32,300
2,600	1,300	977,500	—3,200	314,400	715,500	600	300	1,030,800	+51,100	+54,300
2,600	1,300	3,222,100	+8,300	1,657,200	1,676,700	600	300	3,334,800	+122,000	+113,700
56,000	28,000	1,197,600	+2,200	1,299,600	...	14,900	7,800	1,322,300	+147,100	+144,900
100,600	50,300	4,644,500	—194,000	385,900	4,964,900	87,500	45,800	5,484,100	+650,100	+844,100
156,600	78,300	5,842,100	—191,800	1,685,500	4,964,900	102,400	53,600	6,806,400	+797,200	+989,000
1,879,900	940,000	18,415,800	—147,800	15,960,800	...	1,991,000	1,042,900	18,994,700	+328,200	+476,000
2,426,700	1,213,300	4,585,600	—61,000	912,600	...	2,496,800	1,307,800	4,717,200	—23,900	+37,100
17,500	8,700	1,049,900	—455,000	38,900	...	5,300	2,800	47,000	—1,452,000	—997,000
4,324,100	2,162,000	24,051,300	—663,800	16,912,300	...	4,493,100	2,353,500	23,758,900	—1,147,700	—483,900
5,500	2,800	8,400	+5,600	...	...	...	...	...	...	—5,600
16,323,700	8,161,800	96,088,800	—1,157,900	45,837,700	27,924,900	16,531,600	8,659,400	98,953,600	+1,209,300	+2,367,200
...	...	700,000	+700,000	...	...	...	...	...	...	—700,000
...	...	717,900	+834,700	...	...	...	...	924,700	—807,900	—1,642,600
...	...			...	924,700	...	...			
16,323,700	8,161,800	97,506,700	+376,800	45,837,700	27,000,200	16,531,600	8,659,400	98,028,900	+401,400	+24,600
	Deduct—Decrease on account of Exchange . Rx.		—1,064,100				*Add*—Increase (+) or *Deduct*—Decrease (—) on account of Exchange . Rx.		—566,500	+497,600
	TOTAL INCLUDING EXCHANGE . .Rx.		—687,300				TOTAL INCLUDING EXCHANGE . . Rx.		—165,100	+522,200

REVISED ESTIMATE, 1898-99.				BUDGET ESTIMATE, 1899-1900.			
India.	England.	Exchange.	Total.	India.	England.	Exchange.	Total.
Rx.	£	Rx.	Rx.	Rx.	£	Rx.	Rx.
1,700,200	788,000	394,000	2,882,200	2,427,300	681,000	356,700	3,465,000
687,600	3,100	1,500	692,200	848,300	1,100	600	850,000
—4,100	...	...	—4,100	...	...	...	...
2,383,700	791,100	395,500	3,570,300	3,275,600	682,100	357,300	4,315,000

* See foot-note to Statement A.

C.—*Statement of Receipts and Disbursements*

	Accounts, 1897-98.			Revised Estimate, 1898-99.			Budget Estimate, 1899-1900.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£		*Rx.*	£		*Rx.*	£	
Revenue (from Statement A)	96,139,287	193,662	96,332,949	101,217,400	232,500	101,449,900	101,645,900	207,100	101,853,000
Exchange added to Revenue	109,055	...	109,055	116,200	...	116,200	108,500	...	108,500
Total	96,248,342	193,662	96,442,004	101,333,600	232,500	101,566,100	101,754,400	207,100	101,961,500
Permanent Debt incurred—									
Sterling Debt—									
India 2½ p. c. Stock	...	3,500,000		...	5,297,700		...	...	
Rupee Debt—									
3½ p. c. Rupee Loan	3,000,120	...		1,200,000	...		...	...	
Total	3,000,120	3,500,000	6,500,120	1,200,000	5,297,700	6,497,700	...	...	...
Net			6,077,779			2,867,600			0
Temporary Debt incurred—									
Temporary Loans	...	6,000,000	6,000,000	...	4,500,000	4,500,000	...	4,500,000	4,500,000
Net			5,000,000			0			0
Unfunded Debt—									
Treasury Notes	200	...		...	...		...	...	
Deposits of Service Funds	142,309	...		143,200	...		144,800	...	
Savings Bank Deposits	3,867,850	...		3,956,200	...		4,065,500	...	
Total	4,010,359	...	4,010,359	4,099,400	...	4,099,400	4,210,300	...	4,210,300
Net			0			291,600			521,900
Deposits and Advances—									
Balances of Provincial Allotments	203,232	...		1,419,900	...		...	...	
Appropriation for reduction of Debt	...	...		422,600	...		603,900	...	
Excluded Local Funds	851,848	...		804,700	...		803,400	...	
Railway Funds	46,179	...		71,000	...		52,100	...	
Deposits of Sinking Funds	12,500	...		13,100	...		13,700	...	
Departmental and Judicial Deposits	22,472,638	...		19,972,200	...		20,198,100	...	
Advances	8,657,183	2,097		10,033,800	200		3,517,100	...	
Suspense Accounts	212,810	...		78,300			22,200	...	
Exchange on Remittance Accounts, net	4,665,176	...		...	...		418,400	...	
Miscellaneous	133,308	150		...	...		...	...	
Total	37,254,874	2,247	37,257,121	32,815,600	200	32,815,800	25,628,900	...	25,628,900
Net			2,944,660			869,900			0
Carried over	140,513,695	9,695,909		139,448,600	10,030,400		131,593,600	4,707,100	

of the Government of India, in India and in England.

	Accounts, 1897-98.			Revised Estimate, 1898-99.			Budget Estimate, 1899-1900.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£		*Rx.*	£		*Rx.*	£	
Expenditure, Imperial and Provincial (from Statement B)	76,939,069	16,198,263	93,137,332	71,603,300	16,323,700	87,927,000	73,762,600	16,531,600	90,294,200
Exchange, charged as Expenditure	9,121,561	...	9,121,561	8,161,800	...	8,161,800	8,659,400	...	8,659,400
Add—Provincial Surpluses, transferred to "Deposits"	203,232	...	203,232	1,419,900	...	1,419,900	...	...	...
Deduct—Provincial Deficits, charged against "Deposits"	*660,910*	...	*660,910*	*2,000*	...	*2,000*	*924,700*	...	*924,700*
TOTAL	85,602,952	16,198,263	101,801,215	81,183,000	16,323,700	97,506,700	81,497,300	16,531,600	98,028,900
Expenditure not charged to Revenue—									
Capital outlay on Railways and Irrigation Works	3,053,687	815,583		2,383,700	791,100		3,275,600	682,100	
Exchange on Expenditure not charged to Revenue	459,271	...		395,500	...		357,300	...	
TOTAL	3,512,958	815,583	4,328,541	2,779,200	791,100	3,570,300	3,632,900	682,100	4,315,000
Permanent Debt discharged—									
Sterling Debt—									
India 4 p. c. Stock	...	2,802		...	200		...	...	
India 3½ p. c. Debentures	...	...		...	3,000,000		...	...	
Oude and Rohilkund Railway Debenture Stock	...	...		...	384,700		...	...	
Rupee Debt—									
5½ p. c. Loans	...	...		100	...		...	...	
5 p. c. Loans	...	...		17,000	...		...	...	
4½ p. c. Loans	7,950	...		4,000	...		4,000	...	
4 p. c. Loans	219,203	...		167,500	...		160,000	...	
3½ p. c. Loans	192,210	...		56,000	...		26,000	...	
Treasury Bills	...	...		600	...		...	...	
Stock Notes	176	...		...	...		...	...	
TOTAL	419,539	2,802	422,341	245,200	3,384,900	3,630,100	190,000	...	190,000
NET			0			0			190,000
Temporary Debt discharged—									
Temporary Loans	...	1,000,000	1,000,000	...	6,000,000	6,000,000	...	4,500,000	4,500,000
NET			0			1,500,000			0
Unfunded Debt—									
Special Loans	12,139	...		...	...		...	...	
Deposits of Service Funds	113,608	...		113,700	...		113,300	...	
Savings Bank Deposits	4,192,798	...		3,694,100	...		3,575,100	...	
TOTAL	4,318,545	...	4,318,545	3,807,800	...	3,807,800	3,688,400	...	3,688,400
NET			308,186			0			0
Deposits and Advances—									
Balances of Provincial Allotments	660,910	...		2,000	...		924,700	...	
Excluded Local Funds	852,089	...		787,400	...		773,200	...	
Railway Funds	61,162	...		74,200	...		51,500	...	
Departmental and Judicial Deposits	22,331,279	...		19,846,600	...		20,239,500	...	
Advances	9,506,048	938		9,904,900	...		3,410,800	...	
Suspense Accounts	200,408	...		39,100	...		17,000	...	
Exchange on Remittance Accounts, net	...	...		956,500	...		...	...	
Miscellaneous	698,648	979		335,200	...		336,800	...	
TOTAL	34,310,544	1,917	34,312,461	31,945,900	...	31,945,900	25,753,500	...	25,753,500
NET			0			0			124,600
Carried over	128,164,538	18,018,565		119,961,100	26,499,700		114,762,100	21,713,700	

C.—*Statement of Receipts and Disbursements*

	Accounts, 1897-98.			Revised Estimate, 1898-99.			Budget Estimate, 1899-1900.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£		*Rx.*	£		*Rx.*	£	
Brought forward .	140,513,695	9,695,909		139,448,600	10,030,400		131,593,600	4,707,100	
Loans and Advances by Imperial Government .	100,109	...	100,109	140,800	...	140,800	116,100	...	116,100
Net .			44,963			40,000			0
Loans and Advances by Provincial Governments	858,044	...	858,044	893,400	...	893,400	624,700	...	624,700
Net .			0			222,500			0
Capital Receipts from Railway Companies—									
On account of Subscribed Capital .	660,654	1,190,500		1,077,800	1,988,600		525,600	2,718,600	
Repayments . .	1,423,847	4,061		1,577,700	43,200		1,356,700	3,000	
Total .	2,084,501	1,194,561	3,279,062	2,655,500	2,031,800	4,687,300	1,882,300	2,721,600	4,603,900
Net .			0			0			0
Remittances—									
Inland Money Orders .	25,714,421	...		26,850,000	...		28,000,000	...	
Other Local Remittances	...	...		739,100	...		751,900	...	
Other Departmental Accounts . .	423,844	...		780,200	...		488,000	...	
Net Receipts by Civil Treasuries from—									
Post Office . .	...	...		216,500	...		373,400	...	
Telegraph . .	140,445	...		37,000	...		11,300	...	
Guaranteed Railways	2,559,191	..		3,583,000	...		3,115,300	...	
Public Works .	...	...		1,904,900	...		937,000	...	
Net Receipts from Civil Treasuries by—									
Post Office . .	357,579	...		...	...		...	...	
Marine . .	221,307	...		205,300	...		239,300	...	
Military . .	18,562,120	...		16,114,900	...		15,422,400	...	
Public Works .	794,622	...		...	...		...	...	
Remittance Account between England and India—									
Railway transactions	891,936	595,731		939,300	1,002,000		1,238,000	502,000	
Other ,,	1,053,186	213,198		488,500	230,900		421,100	166,800	
Total .	50,718,651	808,929	51,527,580	51,858,700	1,232,900	53,091,600	50,997,700	668,800	51,666,500
Net .			0			745,200			0
Secretary of State's Bills drawn	...	9,506,077	9,506,077	...	19,000,000	19,000,000	...	17,000,000	17,000,000
Total Receipts .	194,275,000	21,205,476		194,997,000	32,295,100		185,214,400	25,097,500	
Opening Balance .	13,873,752	2,832,354		15,982,443	2,534,244		17,072,043	4,304,444	
GRAND TOTAL .	208,148,752	24,037,830		210,979,443	34,829,344		202,286,443	29,401,944	

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
The 20th March 1899.

W. H. DOBBIE,
Deputy Comptroller General.

of the Government of India, in India and in England—continued.

	Accounts, 1897-98.			Revised Estimate, 1898-99.			Budget Estimate, 1899-1900.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£		*Rx.*	£		*Rx.*	£	
Brought forward .	128,164,538	18,018,565		119,961,100	26,499,700		114,762,100	21,713,700	
Loans and Advances by Imperial Government .	55,146	...	55,146	100,800	...	100,800	127,900		127,900
Net .			**0**			**0**			**11,800**
Loans and Advances by Provincial Governments	1,411,593	...	1,411,593	670,900	...	670,900	861,700	...	861,700
Net .			**553,549**			**0**			**237,000**
Payments to Railway Companies on Capital Account—									
For discharge of Debentures . .	...	24,123		...	805,500		...	1,248,600	
For Expenditure .	3,146,849	1,514,927		3,528,800	1,823,900		2,663,600	1,948,700	
Total .	3,146,849	1,539,050	4,685,899	3,528,800	2,629,400	6,158,200	2,663,600	3,197,300	5,860,900
Net .			1,406,837			1,470,900			1,257,000
Remittances—									
Inland Money Orders .	25,714,510	...		26,850,000	...		28,000,000	...	
Other Local Remittances	244,503	...		739,100	...		751,900	...	
Other Departmental Accounts . . .	429,615	...		780,200	...		488,000	...	
Net Payments into Civil Treasuries by—									
Post Office . .	...	...		216,500	...		373,400	...	
Telegraph . .	140,485	...		37,000	...		11,300	...	
Guaranteed Railways	2,559,191	...		3,523,000	...		3,115,300	...	
Public Works .	...	...		1,224,900	...		937,000	...	
Net Issues from Civil Treasuries to—									
Post Office . .	357,579	...		...	...		...	...	
Marine . . .	224,333	...		205,300	...		239,300	...	
Military . . .	18,562,120	...		16,114,900	...		15,422,400	...	
Public Works . .	864,260	...		...	...		...	...	
Remittance Account between England and India—									
Railway transactions	592,497	895,170		1,002,000	939,300		502,000	1,238,000	
Other „	226,345	1,050,801		257,700	456,500		199,000	435,600	
Total .	49,915,438	1,945,971	51,861,409	50,950,600	1,395,800	52,346,400	50,039,600	1,673,600	51,713,200
Net .	...	...	333,829			0			46,700
Secretary of State's Bills paid	9,472,745	...	9,472,745	18,695,200	...	18,695,200	17,152,100	...	17,152,100
Total Disbursements .	192,166,309	21,503,586		193,907,400	30,524,900		185,607,000	26,584,600	
Closing Balance .	15,982,443	2,534,244		17,072,043	4,304,444		16,679,443	2,817,344	
GRAND TOTAL .	208,148,752	24,037,830		210,979,443	34,829,344		202,286,443	29,401,944	

A. F. COX,
Comptroller General.

H. H. RISLEY,
Offg. Secretary to the Government of India.

D.—*Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Settlements.*

Provincial and Local Balances.

NOTE.—These balances do not include the Balances of Deposits and Advances upon Local Fund Accounts.

	India.	Central Provinces.	Burma.	Assam.	Bengal.	N.-W. P. and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Accounts, 1897-98.										
Balance at end of 1896-97	12,735	46,726	413,744	128,319	569,652	60,638	200,886	616,069	523,347	2,572,116
Added in 1897-98 . .	...	...	177,510	...	...	25,722	...	...	...	203,232
Spent in 1897-98 . .	1,407	10,885	...	39,637	279,146	...	2,111	170,433	157,291	660,910
Balance at end of 1897-98 .	11,328	35,841	591,254	88,682	290,506	86,360	198,775	445,636	366,056	2,114,438
Revised Estimate, 1898-99.										
Balance at end of 1897-98 (by Accounts).	11,328	35,841	591,254	88,682	290,506	86,360	198,775	445,636	366,056	2,114,438
Added in 1898-99 . .	...	44,800	279,600	63,100	284,400	378,500	126,700	146,100	96,700	1,419,900
Spent in 1898-99 . .	2,000	...	...	...	...	...	...	...	...	2,000
Balance at end of 1898-99 .	9,328	80,641	870,854	151,782	574,906	464,860	325,475	591,736	462,756	3,532,338
Budget Estimate, 1899-1900.										
Balance at end of 1898-99 (by Revised Estimate).	9,328	80,641	870,854	151,782	574,906	464,860	325,475	591,736	462,756	3,532,338
Spent in 1899-1900 . .	900	23,900	126,800	117,200	145,700	80,900	66,100	196,300	167,800	924,700
Balance at end of 1899-1900	8,428	56,741	744,054	34,582	429,206	384,860	259,375	395,436	294,956	2,607,638

W. H. DOBBIE,
Deputy Comptroller General.

A. F. COX,
Comptroller General.

H. H. RISLEY,
Offg. Secretary to the Government of India.

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
The 20th March 1899.

E.—*Statement of Net Revenue and Expenditure—India and England.*

Part I.—Income.

Revenue.	Accounts, 1897-98.		Revised Estimate, 1898-99.		Budget Estimate, 1899-1900.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue, etc.:						
1. Land Revenue	25,626,285		27,627,600		27,590,300	
2. Forest	1,735,027		1,834,600		1,787,500	
3. Tributes from Native States	883,629		939,700		937,500	
	28,244,941		30,401,900		30,315,300	
Deduct,—						
Assignments	*1,117,466*		*1,125,600*		*1,148,300*	
NET	—	27,127,475	—	29,276,300	—	29,167,000
II.—Opium, Net Receipts	2,788,744		3,326,500		3,344,500	
Deduct,—						
Assignments	*5,099*		*5,100*		*5,100*	
NET	—	2,783,645	—	3,321,400	—	3,339,400
III.—Taxation:						
1. Salt	8,565,524		9,008,900		8,723,600	
2. Stamps	4,783,877		4,784,500		4,841,800	
3. Excise	5,458,441		5,701,600		5,752,500	
4. Provincial Rates	3,717,560		3,946,000		3,946,400	
5. Customs	4,555,073		4,803,200		4,541,500	
6. Assessed Taxes	1,881,233		1,917,900		1,936,500	
7. Registration	485,419		452,600		400,500	
	29,447,127		30,614,700		30,202,800	
Deduct,—						
Assignments	*419,183*		*427,800*		*427,800*	
NET	—	29,027,944	—	30,186,900	—	29,775,000
IV.—Miscellaneous Receipts (*i.e.*, Mint, Gain by Exchange and Miscellaneous)	—	376,245	—	292,000	—	195,600
		59,315,309		63,076,600		62,477,000
Excess of Expenditure over Income		5,359,211		—		—
	—	64,674,520		63,076,600		62,477,000

Part II.—Expenditure.

Charges.	Accounts, 1897-98.		Revised Estimate, 1898-99.		Budget Estimate, 1899-1900.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Debt Services	—	2,600,019	—	2,106,700	—	2,085,300
II.—Military Services:						
1. Army	26,114,910		23,126,500		22,839,600	
2. Military Works	1,115,824		1,143,400		1,271,400	
3. Special Defence Works	23,708		8,400		—	
TOTAL	—	27,254,442	—	24,278,300	—	24,111,000
III.—Collection of Revenue:						
1. Land Revenue, including District Administration	4,187,601		4,085,000		4,209,400	
2. Forest	1,001,689		1,010,200		1,067,700	
3. Other Heads	1,412,314		1,412,500		1,540,700	
TOTAL	—	6,601,604	—	6,507,700	—	6,817,800
IV.—Commercial Services:						
Net Expenditure—						
Railway	1,432,616		878,100		880,600	
Telegraph	...		...		26,100	
	1,432,616		878,100		906,700	
Deduct—Net Receipts—						
Irrigation	425,779		239,600		116,300	
Post Office	149,689		165,100		112,100	
Telegraph	257,836		36,900		...	
	833,304		441,600		228,400	
NET	—	599,312	—	436,500	—	678,300
V.—Civil Services:						
1. Civil Departments	14,016,036		13,967,500		14,607,600	
2. Miscellaneous Civil Charges	5,058,579		5,120,000		5,189,800	
3. Famine Relief and Insurance	5,363,125		1,176,100		1,129,600	
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	3,792		4,200		3,600	
5. Civil Works	3,635,289		4,002,300		4,846,100	
	28,076,821		24,270,100		25,776,700	
Add or Deduct,—						
Provincial Surplus or Deficit	*457,678*		1,417,900		*924,700*	
TOTAL	—	27,619,143	—	25,688,000	—	24,852,000
		64,674,520		59,017,200		58,544,400
Excess of Income over Expenditure		...		4,059,400		3,932,600
		64,674,520		63,076,600		62,477,000

W. H. DOBBIE,
Deputy Comptroller General.

A. F. COX,
Comptroller General.

H. H. RISLEY,
Offg. Secretary to the Government of India.

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
The 20th March 1899.

APPENDIX II.

Memorandum by the Honourable Major-General Sir Edwin Collen, K.C.I.E., on Military Expenditure.

The estimates with which the Military and Marine Department of the Government of India is concerned, are—

I—Indian Military Estimates.
II—Home (India) Military Estimates.
III—Military Works Estimates.
IV—Marine Estimates.

2. They will be dealt with in this memorandum in the order given above.

I.—Indian Military Estimates.

Revised Estimates, 1898-99.

3. The revised Indian Military Estimates for 1898-99, compared with the budget for the year, show a net saving of Rx. 520,800 caused by an increase in receipts of Rx. 2,200 and a decrease in expenditure of Rx. 518,600.

Comparison—
Revised for 1898-99,
and
Budget for 1898-99.

4. The more important causes which have led to the decrease in expenditure are as under:—

(*a*) There is a decrease of Rx. 344,300 on account of military operations and an increase of Rx. 53,200 on account of special services, thus giving a net decrease of Rx. 291,100 on account of military operations and special services. The decrease on account of military operations is mainly due to the large expenditure on account of field operations on the North-West Frontier, which was anticipated when the budget was framed, not having been incurred, owing to the cessation of those operations earlier than was expected, and also to various changes in the strength and organisation of the forces which were mobilised. On the other hand, the increase on account of special services is chiefly caused by the augmented garrisons in the Malakand and Tochi Valley not having been reduced on as early a date as was anticipated.

(*b*) Another cause of decrease, amounting to Rx. 65,000, was the fall in the prices of food supplies for men and animals.

(*c*) There was also a decrease of Rx. 41,200 on account of exchange compensation allowance, owing to exchange having been favourable during the year.

(*d*) Again, savings accrued owing to the authorised strength of British infantry being short by one battalion for a part of the year (Rx. 36,700); to the employment of the 1st Bengal Infantry at Mauritius, and to the retention for service in East Africa of the 27th Bombay Infantry and the head-quarters wing of the 4th

Bombay Rifles for longer periods than were anticipated. The Military Estimates were relieved of expenditure on account of the two latter items to the extent of Rx. 18,000 and Rx. 15,400, respectively, the charges having been borne by Her Majesty's Imperial Government. The Military Estimates were further relieved of expenditure to the extent of Rx. 24,100 on account of the pay and allowances of officers whose services were placed at the disposal of the Civil Department for plague duty.

(*e*) A lapse of Rx. 20,000 has also occurred in the budget for 1898-99, as the orders of the Secretary of State on the question of increasing the establishment of Commissariat-Transport officers could not be given effect to in that year.

(*f*) In addition to the foregoing, the following are the chief causes which contributed towards reducing expenditure:—

(*i*) Under Grant 1 (*Army and Garrison Staff*) there are savings amounting to Rx. 14,500 owing chiefly to absence of officers on furlough.

(*ii*) Under Grant 3 (*Regimental Pay, Allowances and Charges*) there are savings to the extent of Rx. 29,000, owing to fluctuations in the strength of the troops.

(*iii*) Under Grant 4 (*Commissariat Establishments, Supplies and Services*) the savings aggregate Rx. 28,500, and are due to smaller purchases of malt-liquor owing to decreased consumption (Rx. 14,000); and to less expenditure on other accounts.

(*iv*) Under Grant 10 (*Ordnance Establishments, Stores and Camp Equipage*) the savings aggregate Rx. 20,000 owing chiefly to fluctuations in establishments and smaller purchases of camp equipage and other stores.

5. The total decrease in expenditure was, however, to some extent counterbalanced by certain increases, the more important of which are the following:—

(*a*) Special bounties and advances of deferred pay were paid to a limited number of men of certain British regiments serving in India, to induce them to extend their service with the colours. This causes an increase to the extent of Rx. 31,900.

(*b*) Judging from the experience of the first nine months there will be larger expenditure to the extent of Rx. 15,000 on account of the ordinary conveyance of troops and stores.

(*c*) Owing to the existence of plague in India, it has been found necessary to give additional grants-in-aid, to certain cantonments in the Bombay Command, to meet expenditure on plague operations.

(*d*) Under Grant 9 (*Medical Establishments, Supplies and Services*) there is larger expenditure to the extent of Rx. 10,000 chiefly in the purchase of medical supplies.

Estimates, 1899-1900.

6. The estimates for 1899-1900, in the net, amount to Rx. 16,095,700, or Rx. 1,155,100 less than the budget for 1898-99. This is due to a decrease in receipts of Rx. 16,400 and in expenditure of Rx. 1,171,500.

Comparison—
Budget for 1898-99,
and
Estimate for 1899-1900.

7. In comparing the estimates of next year with the budget for the current year, it will be found that the decrease in *receipts* is mainly due to less issues on payment of commissariat supplies being anticipated than in the current year owing to the cessation of field operations.

8. The decrease in *expenditure* is accounted for as follows:—

(*a*) A saving of Rx. 1,176,500 occurs in the provision for military operations and special services.

(*b*) In consequence of the higher rates of exchange adopted for the estimates of 1899-1900, a saving of Rx. 120,000 is anticipated in the pay of British troops and of Rx. 20,800 in exchange compensation allowance.

(*c*) A saving, amounting to Rx. 60,000, is due to an anticipated fall in the prices of food supplies for men and animals as compared with the prices adopted for the current year's budget.

(*d*) Again, savings to the extent of Rx. 21,200 will accrue owing to the cost of the 1st Bengal Infantry while stationed at Mauritius being borne by Her Majesty's Government.

(*e*) Another cause of saving, resulting directly from the cessation of field operations, is that the provision for expenditure on account of non-effective services is reduced by Rx. 22,500 as regards extra pensionary allowances, and by Rx. 14,500 for war medals.

(*f*) In addition to the foregoing, the following reductions in expenditure are anticipated:—

(*i*) Under Grant 3 (*Regimental Pay, Allowances and Charges*) savings to the extent of Rx. 45,000 are anticipated owing to probable fluctuations in strength and other causes.

(*ii*) Under Grant 4 (*Commissariat Establishments, Supplies and Services*) savings, amounting to Rx. 32,800, are expected, owing to (1) smaller purchases of malt-liquor (Rx. 12,800); (2) to the special grant (Rx. 10,000) made in the preceding year for purchase of transport animals to complete the authorised complement of mobilisation animals not having been repeated; and (3) to smaller provision (Rx. 10,000) as against Rx. 20,000 in 1898-99 having been made for additional officers for the Commissariat-Transport Department.

(*iii*) Under Grant 6 (*Clothing Establishments, Supplies and Services*) reduced expenditure of about Rx. 17,400 is anticipated, owing to smaller purchases of certain articles being necessary.

(*iv*) Under Grant 10 (*Ordnance Establishments, Stores and Camp Equipage*) there will be savings, aggregating Rx. 10,300, due chiefly to anticipated variations in establishments, and also to a smaller provision having to be made for the conversion of the equipment of the batteries of the field army to that suitable for the 15-pounder projectiles.

9. The foregoing decreases in expenditure will, however, be partly counterbalanced by certain increases, of which the following are the more important:—

(*i*) Increased provision to the extent of Rx. 114,600 has been made for messing allowance to the British Army. In this connection it may be mentioned that, as explained in my memorandum of last year, the details connected with the measures to be adopted in India, in furtherance of the improvements made in the position of the non-commissioned officers and men of the British Army in all parts of Her Majesty's dominions, were not settled when the budget for 1898-99 was closed; provision, therefore, was made therein for only Rx. 200,000. During the currency of that year the matter was, however, finally settled, and with the sanction of the Secretary of State certain measures were adopted in India with effect from the 1st June 1898. These measures involve the abolition of deferred pay, and the grant of a gratuity on discharge or transfer to the Army Reserve; also the grant of messing allowance of $2\frac{1}{4}$ annas per diem in addition to usual pay and extra-duty pay, and the free issue of groceries, for which the soldier had up to that time been required to pay 9 pies per diem. I may mention that the soldiers who were in the service at the time these changes were introduced had the option of accepting them, or continuing under the arrangements they were intended to supersede. These considerations and the fact that expenditure for the whole, instead of a part, of a year has to be provided for, account for the increase in the provision for this allowance in the estimate of next year.

(*ii*) Provision to the extent of Rx. 39,500 has been made for providing the mobilisation equipment of the additional corps (line of communications) included among the extra units of the field army; and of Rx. 37,600 for maintaining a reserve of compressed fodder to facilitate mobilisation requirements. A sum of Rx. 18,400 has also been provided for the supply of camel saddles for the 3rd and 4th Divisions and extra units of the field army.

(*iii*) A sum of Rx. 20,700 has been provided for the re-establishment of Cantonment Hospitals.

(*iv*) There will also be increased expenditure to the extent of Rx. 17,200 due to the raising of an additional Native mountain battery.

(*v*) Increased provision, amounting to Rx. 16,800, has also been made on account of the ordinary movements of troops and stores, as it is anticipated that the reliefs next year will be heavier than they were this year.

(*vi*) Larger provision to the extent of Rx. 14,000 has been made for camps of exercise.

(*vii*) Another cause of increased expenditure, amounting to Rx. 13,800, is the return of the head-quarters wing of the 4th Bombay Rifles and the anticipated return from Mombassa early next year of the 27th Bombay Infantry, the cost of which during its absence from India has been borne by Her Majesty's Imperial Government.

(*viii* There will also be larger expenditure to the extent of Rx. 10,000 on account of medical supplies and services.

(*ix*) The expenditure side of the budget estimate for next year is also increased by reason of a smaller deduction in India to adjust excess provision in the Home Estimate—Rx. 48,300.

10. A statement is appended showing the net amounts under each of the 20 Grants for effective and non-effective services, and for military operations:—

	Strength.	
	1899-1900.	1898-99.
British Army	72,495	72,516
Native Army	143,021	143,533
Total ...	215,516	216,049

Grants.	—	Net estimates.		Difference on net estimates.		Remarks.
		1899-1900.	1898-99.	Increase.	Decrease.	
	Effective Services.	Rx.	Rx.	Rx.	Rx.	
1	Army and Garrison Staff ...	541,290	541,210	80	...	
2	Administrative Staff	205,542	208,892	...	3,350	
3	Regimental Pay, Allowances and Charges	8,098,142	8,392,856	...	294,714	
4	Commissariat Establishments, Supplies and Services ...	3,382,430	3,166,013	216,417	...	
5	Remount and Veterinary Establishments, Supplies and Services	344,411	336,909	7,502	...	
6	Clothing Establishments, Supplies and Services	207,894	204,775	3,119	...	
7	Barrack Establishments, Supplies and Services	243,808	229,950	13,858	...	
8	Administration of Martial Law ...	42,905	43,189	...	284	
9	Medical Establishments, Supplies and Services	743,078	712,231	30,847	...	
10	Ordnance Establishments, Stores and Camp Equipage	709,373	656,359	53,014	...	
11	Ecclesiastical	33,032	27,972	5,060	...	
12	Education	46,926	47,291	...	365	
13	Sea Transport Charges ...	57,222	56,267	955	...	
14	Miscellaneous Services ...	368,847	212,086	156,761	...	
15	Volunteer Corps	202,564	196,707	5,857	...	
	Total, Effective Services Rx.	15,227,464	15,032,707	493,470	298,713	
	Non-Effective Services.					
16	Rewards for Military Services ...	16,228	32,445	...	16,217	
17	Military Pensions to Europeans ...	98,364	106,197	...	7,833	
18	Military Pensions to Natives ...	709,304	727,373	...	18,069	
19	Widows' Pensions and Compassionate Allowances	—58,789*	—54,952*	—3,837	...	
20	Departmental Pensions	64,225	62,130	2,095	...	
	Total, Non-Effective Services Rx.	829,332	873,193	—1,742	42,119	
	Military Operations Rx.	38,904	1,344,900†	...	1,305,996	
	Grand Total Rx.	16,095,700	17,250,800	491,728	1,646,828	
		Net decrease Rx. ...		1,155,100		

* The bulk of subscriptions of officers to Indian Military Service Family Pensions is received in India, while most of the expenditure is incurred at home. The receipts in India, therefore, exceed the expenditure in India, and hence, as the figures in the above statement are *net*, there must be a minus entry.

† In my memorandum on military expenditure last year the heading "*Military Operations*" did not appear, although it did appear in the Financial Statement, the charges being included in my memorandum under Grant 14. The figure adopted above differs from that in the Financial Statement for last year, by reason of a change in classification involving a redistribution between ordinary charges and warlike operations.

II.—Home (India) Military Estimates.

Revised Estimates, 1898-99.

Comparison—
Revised for 1898-99,
and
Budget for 1898-99.

11. The second of the estimates with which the Military Department is concerned is the Home estimate for army effective and non-effective charges. The Home Budget Estimates for 1898-99 provided for a gross expenditure of £4,469,300, while in the Revised Estimates provision has been made to the extent of £4,324,100.

12. The saving of £145,200 in the Revised, as compared with the Budget Estimate for 1898-99, is chiefly due to decrease in the payments for ordnance stores, owing, to a great extent, to the reduction of demands made by India. It is also due to reduced payments on account of the furlough allowances of officers of the Indian Service, and of the pay and pensions of non-effective and retired officers of the Indian Service. These decreases are, however, partly counterbalanced by larger payments having been made to the War Office in settlement of their claims for 1897-98 on account of the effective and non-effective service of the British forces serving in India, than were anticipated when the Budget Estimate was framed.

13. There is also an increase of £10,400 on account of receipts in the Revised, as compared with the Budget Estimates for 1898-99, due chiefly to larger receipts being anticipated on account of the Indian Troop Service, and in the value of articles in possession of regiments on their transfer from the Indian to the British establishment.

14. The net figures of the revised, therefore, show a saving of £155,600 on those of the Budget Estimate for 1898-99 due, as explained above, to a decrease in expenditure of £145,200 and an increase in receipts of £10,400.

Estimates, 1899-1900.

Comparison—
Budget for 1898-99,
and
Estimate for 1899-1900.

15. The receipts and expenditure for 1899-1900 are as follows:—

	Receipts.	Expenditure.	Net expenditure.
	£	£	£
Effective	51,900	1,996,300	1,944,400
Non-effective	15,500	2,496,800	2,481,300
Total ...	67,400	4,493,100	4,425,700

16. Compared with the budget for 1898-99, larger receipts to the extent of £18,100 are anticipated in 1899-1900, owing to the same causes as those which have led to the figures on account of receipts being increased in the Revised Estimate for 1898-99. The total gross expenditure for 1899-1900 is, however, higher by £23,800 than the amount provided in the budget for the preceding year, owing chiefly to larger amounts being provided for payment to the War Office on account of the effective and non-effective services of the British forces serving in India, as the amounts adopted on this account in the budget of the preceding year were too low. These increases in expenditure are partly counterbalanced by provision for one transport for trooping service less than in the preceding year having been made, and by reduced expenditure being anticipated on account of pay and pensions of non-effective and retired officers of the Indian Service.

17. The gross charges on account of effective services include payments to the War Office in respect of the British forces serving in India, amounting, as estimated in the coming year, to £730,000, as against £721,000 in the estimates for 1898-99. These charges are based on the capitation rate of £7-10 for each man borne on the establishments of the British forces in India, with the addition of the charge for deferred pay issued to British soldiers on discharge or transfer to the reserve. In connection with the deferred pay, it may be mentioned that during the current financial year it was decided to abolish this concession and to substitute for it a gratuity, the effect of which will be to ultimately reduce military expenditure at Home. The other items included in the gross effective charges are furlough allowances and pay during the voyage of British forces serving in India (£108,000); furlough allowances of officers of the Indian Service (£230,000); Indian Troop Service (£260,600); passage of officers and troops otherwise than in transport (£19,000); miscellaneous (£19,000); and stores for India (£629,700).

The gross charges on account of non-effective services are made up of the retired pay, etc., of the British forces for service in India (£554,000); pay of the non-effective Colonels of Royal Artillery (£24,800); while the pay and pensions of non-effective and retired officers of the Indian Service amount to £1,800,000, the miscellaneous pensions to £86,000, and the Indian Military Service Family Pensions to £32,000.

18. The net expenditure for 1899-1900 is more by £5,700 than that for the preceding year; and, as explained above, this is due to an increase of £18,100 in receipts and an increase of £23,800 in gross expenditure.

19. Subsequent to the estimate of 1899-1900 being closed, it was decided to defer the supply from England of certain stores to the value of £11,093 for which provision was included in those estimates. This over-provision in the Home Estimates has been adjusted by a corresponding deduction in the Indian Estimates with the result that, as compared with the net expenditure of 1898-99, there will be a saving in 1899-1900 of £5,393 in the Home Expenditure.

20. The figures of actual expenditure in 1897-98, of the *Budget* and *Revised Estimates* for 1898-99, and of the *Estimate* for 1899-1900, are given below in detail for convenience of comparison :—

	Accounts, 1897-98.	Budget Estimate, 1898-99.	Revised Estimate, 1898-99.	Estimate, 1899-1900.
EFFECTIVE.	£	£	£	£
Payments to War Office in respect of British Forces serving in India	729,719	721,000	744,400	730,000
Furlough Allowances and Pay during voyage of British Forces serving in India ...	98,390	108,000	112,000	108,000
Furlough Allowances of officers of the Indian Service	195,800	230,000	202,000	230,000
Indian Troop Service	228,944	267,600	284,600	260,600
Passage of officers and troops otherwise than in transports	17,737	19,000	12,000	19,000
Miscellaneous	31,651	20,000	19,500	19,000
Stores for India	527,141	627,900	522,900	629,700
Total ...	1,829,382	1,993,500	1,897,400	1,996,300
NON-EFFECTIVE.				
Payments to War Office for Retired Pay, etc., of British Forces for service in India ...	506,847	517,000	527,500	554,000
Pay of non-effective Colonels of Royal Artillery	24,518	24,800	24,200	24,800
Pay and pensions of non-effective and retired officers of the Indian Service ...	1,771,591	1,820,000	1,760,000	1,800,000
Miscellaneous pensions, etc.	84,443	84,000	84,500	86,000
Indian Military Service Family Pensions ...	27,446	30,000	30,500	32,000
Total ...	2,414,845	2,475,800	2,426,700	2,496,800
Total, Effective and Non-Effective ...	4,244,227	4,469,300	4,324,100	4,493,100

21. The following table shows, in detail, the expenditure for stores (including freight) from 1893-94 to 1899-1900 :—

	Accounts.					Revised Estimate, 1898-99.	Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
	£	£	£	£	£	£	£
Clothing	200,699	210,107	210,613	158,825	177,184	169,500	193,400
Ordnance and Miscellaneous	547,202	323,141	235,850	290,835	269,377	289,700	352,200
Medical	26,494	22,075	19,942	26,446	22,512	21,600	30,200
Commissariat ...	30,864	22,720	21,838	40,832	32,197	24,600	48,600
Chitral Relief Force ...	...	...	6,914	6,873	752	...	...
Malakand Field Force ...	...	...	...	...	23,403	16,500	...
Tochi Field Force ...	...	...	...	...	1,716	1,000	...
North-West Frontier Field Operations ...	...	...	...	...	...	..	5,300
Total ...	805,259	578,043	495,157	523,811	527,141	522,900	629,700

III.—Military Works Estimates.

Excluding English expenditure and exchange, the budget estimate for 1898-99 amounted to Rx. 1,135,800; the revised estimate of expenditure amounted to Rx. 1,113,700. There has, therefore, been less expenditure in India of Rx. 22,100.

The budget estimate for 1899-1900, excluding English expenditure and exchange, amounts to Rx. 1,299,600, or Rx. 185,900 more than that of 1898-99. The difference is due to an extra grant of Rx. 14,500 for the Barrack Department duties in the Madras Command, now taken over by the Military Works Department, and to a provision of Rx. 150,000 for defence works on the North-West Frontier.

The heads of the Military Works estimate are in round figures:—

	Rx.
For original works, including works in progress and those to be commenced	400,800
„ repairs	349,000
„ establishment	298,000
„ Barrack Department establishment, supplies, and tools and plant	86,000

The new works, 168 in number, including 63 in progress and 105 not commenced, comprise fourteen water-supply works on which Rx. 47,300 is to be spent, and Rx. 22,100 for coast and inland fortifications, the balance being made up of drainage works, hospitals, barracks, and Ordnance, Commissariat, Marine, and Remount requirements. Many of these new works are of a minor character, or are renewals. The demands are very large, and no fewer than 354 works cannot be provided for. If they had been provided for it would have meant an addition of Rx. 940,000 to the budget.

The laborious task of re-constructing the organization for the performance of the military works services has been completed, and I hope that the new arrangements will come into force at an early date.

IV.—Marine Estimates.

Revised Estimates, 1898-99.

Comparison—
Revised for 1898-99,
and
Budget for 1898-99.

The net figures of the Budget Estimate of the Royal Indian Marine for 1898-99 were Rx. 142,500, the Revised Estimate stands at Rx. 123,200, showing a decrease of Rx. 19,300. This decrease in the net expenditure is caused by excess receipts amounting to Rx. 17,500, and a reduction in expenditure to the extent of Rx. 1,800.

The excess under receipts is chiefly due to large recoveries from the Home Government in connection with the employment of Royal Indian Marine vessels on Imperial Service.

The increases in expenditure (aggregating Rx. 8,400) are chiefly due to smaller recoveries for stores issued to, and works executed for, other departments.

The decreases in expenditure (aggregating Rx. 10,200) are principally due to savings in matters of establishments and up-keep; reduced expenditure on repairs to Her Majesty's ships in Indian seas and Royal Indian Marine vessels at outstations; smaller payments of exchange compensation allowance; temporary vacancies and other items.

Taking the increase against the decrease, there is a net decrease of Rx. 1,800, and adding these figures to the increased receipts, Rx. 17,500, the result is a decrease of Rx. 19,300 in the Revised as compared with the Budget Estimate.

Estimates, 1899-1900.

Comparison—
Budget for 1898-99,
and
Estimate for 1899-1900.

The net figures of the Marine Estimate for 1899-1900 are Rx. 136,950 against Rx. 142,500, the figures of the budget for 1898-99 showing a decrease of Rx. 5,550. This decrease is caused by an increase in receipts, amounting to Rx. 7,900, due to anticipated recoveries in connection with the employment of the *Clive* on Imperial Service, counterbalanced by increased expenditure to the extent of Rx. 2,350.

General Remarks.

Having reviewed the estimates with which the Military and Marine Department of the Government of India is concerned, I would now offer the following remarks in connection with the work of the Army Departments under the administrative control of the Military Department.

The past year has happily been one during which the army of India has enjoyed a much-needed rest, but the experiences of the year 1897-98 have shown certain weak points in the military system, and every department has been engaged in considering what remedies shall be applied, while the whole question of the military position on the North-West Frontier has been examined.

The deficiencies in the transport service have also been engaging attention, and a strong Committee under the presidency of Lieutenant-General G. E. L. Sanford was formed to consider the organisation of that important service. The Committee has submitted a valuable and elaborate report and their recommendations are now under our immediate consideration. The question of improving the ambulance transport has been taken up, and the proposals of a Committee have been submitted. Another weakness that made itself conspicuous during the late campaigns was the deficiency in mountain artillery. We have received the Secretary of State's permission to raise an additional battery.

A decision has been arrived at regarding the gauge of frontier railways; the Nowshera-Dargai line will be pushed on the 2-foot 6-inch gauge; and we have formulated proposals for providing a stock of the plant required for field service tramways and railways.

Another subject to which we have given our attention is that of house accommodation in cantonments. As is well known, difficulties have frequently occurred in obtaining house accommodation in cantonments for officers of the army, and the existing rules on the subject having been found inadequate, it has been considered expedient to make better provision for that purpose by means of legislation. A Bill was introduced on the 4th November 1898. The memorials

from house-owners and the opinions of local Governments and Administrations are being carefully considered.

I have already alluded to the proposed re-organisation of the transport. Last year I mentioned that the insufficiency of the existing complement of commissariat-transport officers had been brought specially to notice in the late campaigns. After very full consideration a large increase to the establishment was recommended. The Secretary of State for India has sanctioned an immediate increase of twelve officers and has called for further information to enable him to decide what further addition is necessary.

With a view to supply the hospitals and British troops with pure milk, steps are being taken to improve the management of dairies generally, and to work dairy and grass farms in conjunction. The supply of grass to the mounted branches has been, in recent years, a matter for anxious consideration, but I hope that we are now in a fair way to attain something like success. An experimental training class for British non-commissioned officers and men in scientific grass farming has been opened at Allahabad, and other measures are being taken to generally improve the supervision of grass farms, and to make them paying concerns. The rules for the provision of grass lands for the horses of Native cavalry in the Bengal and Punjab Commands have been extended to the Native cavalry in the Bombay Command.

Considerable progress has been made in various matters connected with the manufacture and supply of munitions of war. Proposals have been made for the establishment of a factory for the manufacture of cordite on a large scale. This will enable us to be independent of England for our cordite supply and will effect a considerable economy. A site has been decided upon at Jubbulpore for the establishment of a Central Gun-Carriage Factory for all India. The three existing factories at Madras, Bombay, and Fatehgarh cannot be kept up to date economically, and the establishment of a central factory will effect a saving in the cost of establishments. The Harness and Saddlery Workshops in the Bombay Arsenal have been closed, and the work transferred to Madras. In dealing with the working of the Ordnance Department during 1897-98 in my last year's memorandum, I referred to the fact that in order to provide a central authority for the expeditious and economical supply of stores to the arsenals and depots in India, the whole of the ordnance factories in this country had been placed under the direct control of the Director-General of Ordnance in India. I would now add that as a necessary sequel to this arrangement a central office for dealing with the audit and accounts of these factories has been ordered to be formed with effect from the 1st April 1899. Pole draught is being substituted for shaft draught in batteries of horse and field artillery in India. Horse artillery batteries are also being equipped to take cordite cartridges with 12-pr. projectiles, while the field batteries are being altered to carry 15-pr. projectiles with cordite cartridges. It has been decided to carry out the re-armament of British cavalry in India with the Lee-Enfield Magazine carbine, and the artillery with the Martini-Enfield carbine as funds become available.

The equipment of additional corps of the field army for duty on the lines of communication under the plan of mobilisation will be proceeded with in 1899-1900.

The provision of remounts for the army is always a matter of the greatest importance. Various improvements and economies have been effected, and on the whole it may be claimed that satisfactory Australian and country-bred remounts are issued to the army. With a view to developing mule-breeding in India, the purchase of additional donkey stallions from Cyprus was sanctioned, and we have engaged to take a certain number of stallions annually. The increasing difficulty of obtaining donkey stallions from the continent renders it imperative that other sources of supply should be opened up.

There is no more important question than that of the sanitary condition of the army. A great deal remains to be done, but year by year we are making improvements, endeavouring to find out defects and how to remedy them. More troops are stationed in the hills during the hot weather, barracks rebuilt or renewed, and a supply of good water provided at an increasing number of stations. Investigations have been specially made into the sources of the water-supply at various places, and the most stringent precautions have been taken locally to protect the men, as far as possible, from impure water. In the Native Army a considerable progress has been made in re-building the lines; but there are still many lines which ought to be renewed. Valuable sanitary work has been done by the officers appointed for the purpose, and special investigations have been made at those stations which have been particularly afflicted by enteric disease; and water-supply and drainage schemes have been pushed on. It is hoped that the establishment of cantonment hospitals will do much to mitigate the severity of a certain class of diseases. Owing to the conservancy arrangements in cantonments in the Bombay Command being of an unsatisfactory nature, measures are being taken for gradually introducing into that Command the system which has proved successful in the Bengal and Punjab Commands. Funds have been specially provided for the improvement of the sanitary condition of the important military station of Quetta.

Marine Department.

During the past year the work in the dockyards at Bombay and Kidderpore (Calcutta) has been normal, notwithstanding the difficulties which the occurrence of plague in the former place gave rise to. The vessels of the Royal Indian Marine have been employed in the usual trooping service, which has extended to Mauritius and Durban. Experiments have been made, with some success, in sending convalescents for a sea trip during the trooping voyages. Two vessels of the Indian Marine have been many years in the service, and, although at present efficient, arrangements will have to be made to replace them before many years elapse.

EDWIN H. H. COLLEN,
Major-General.

The 20th March 1899.

APPENDIX III.

Memorandum by the Honourable Sir Arthur Trevor, K.C.S.I., on the conclusions of the Conference of 1898 on Railway extensions in India.

The Railway Conference of 1898 met at Viceregal Lodge, Simla, on the 15th and 16th August 1898, and was constituted as noted in the margin. A representative of the Revenue and Agricultural Department was not included on the Committee this year, as with the exception of a group of light lines in the Madras Presidency, which are not urgent and the projects for which are incomplete, there were no famine lines brought forward that had not already been discussed in former years.

PRESIDENT:
His Excellency the Viceroy. (The Earl of Elgin).

MEMBERS:
The Honourable Sir James Westland, K.C.S.I.
The Honourable Major-General Sir E. H. H. Collen, K.C.I.E.
The Honourable Sir Arthur Trevor, K.C.S.I.
Mr. F. R. Upcott, Secy. to the Govt. of India, P. W. Dept.
Mr. A. R. Becher, Accountant General, P. W. Dept.

SECRETARY:
Captain W. J. McElhinny, R.E., Offg. Under-Secy. to the Govt. of India, P. W. Dept. (Railway Branch).

2. Twenty-three new projects were considered, of which five were set aside, one was recommended for construction by a Native State, and the remaining seventeen were held over as not yet ripe for a decision.

The line recommended for construction is the Tonk Branch, 10 miles in length and estimated to cost Rx. 40,000. It will connect Tonk with the Jeypore-Chambal Railway.

3. Of lines held over or set aside at the Conference of 1897, and neither hitherto included in the programme nor brought under negotiation outside the programme, two have now been recommended for construction by, or on the responsibility, direct or indirect, of, Government, one by a Branch Line Company, and two for construction without assistance by Native States and private enterprise.

The lines in question are shown below :—

No.	Name.	Approximate length.	Approximate cost.	Locality and agency.
	(a) By or on the responsibility, direct or indirect, of Government	Miles.	Rx.	
1	Nowshera-Mardan . . .	40	117,600	Punjab. As part of the North Western railway.
2	Midnapur-Jherria . . .	122	1,221,200	Southern Bengal. As part of the Bengal Nagpur railway.
	(b) Open to Branch Line Companies.			
1	Chandipur-Taki . . .	39	172,000	Bengal. Branch of Bengal Central railway.
	(c) Reserved for Native States.			
1	Shoranur-Cochin . . .	64	917,700	Madras. Branch of Madras railway.
	(d) By private enterprise.			
1	Ammáyanayakanur-Kuruvanath .	75	500,000	Madras. Branch of South Indian railway.

4. Of the two lines recommended for construction by, or on the responsibility of, Government, No. 1, the Nowshera-Mardan, has been estimated for, and provision has also been made in the ensuing programme of railway construction for its commencement.

No. 2, the Midnapore-Jherria, has been accepted for early commencement of construction for the reason that it will open out all the coal-fields at present demanding railway facilities, and at the same time provide a valuable connection for the traffic between Upper India and the east and south coasts of India. The line, which will also have a famine protective value, has been provided for within the programme.

The Chandipur-Taki Railway has been accepted for construction without any Government guarantee, and arrangements are being made by the Promoters for carrying out the survey and preparation of the detailed project by the agency of the Bengal Central Railway Company. The Shoranur-Cochin railway has also been accepted for construction by the Native State of Cochin without any Government guarantee, while the formation of an independent Company to construct the Ammáyanayakanur-Kuruvanath as a tramway without a guarantee under the provisions of the Indian Tramways Act, XI of 1886, has been agreed to, subject to certain conditions.

5. As has been explained on former occasions, the extent to which it is possible to give effect to the recommendations of the Conference in regard to Capital Expenditure on railways other than such as are made by Branch Line Companies under the terms of Government of India Resolution No. 514 R. C., dated 17th April 1896, or by Native States or private Promoters without financial assistance, has been governed up to the end of the year now closing by the limitations of a programme covering the three years, 1896-97 to 1898-99. This programme provided for a total expenditure of Rx. 29,660,000, against which we expect to spend the following amounts :—

	Rx.
In 1896-97 (Actuals)	8,658,800
„ 1897-98 („)	8,145,500
„ 1898-99 (Revised Estimate)	8,387,500
TOTAL	25,191,800

The Budget Estimate for 1898-99 was prepared for Rx. 10,788,900, but owing to the late arrival of English stores consequent on the engineering strikes in England and other causes, the impossibility of working to the original programme was recognized some time ago, and the Revised Estimate has been reduced accordingly to the sum of Rx. 8,387,500 above shown.

For the three years, 1899-1900 to 1901-1902, on which we are about to enter, it has been thought advisable that we should work on a somewhat less ambitious programme, providing about 6 crores a year for new lines and extensions as against nearly $8\frac{1}{2}$ crores under the previous programme. The chief object of this reduction is to give time for the earnings to overtake the expenditure. The forecast which has been prepared and approved by the Secretary of State works out accordingly to Rx. 20,322,100, distributed as under :—

	Rx.
1899-1900	6,772,700
1900-1901	6,728,400
1901-1902	6,821,000
TOTAL	20,322,100

The additional amount, approximately Rx. 750,000 in each year, which it will be observed has been provided, is due to the inclusion in programme limits from this year of the open line Capital expenditure of the three guaranteed companies and the anticipated expenditure by branch line companies financed on the basis of a firm guarantee instead of a rebate, which items have hitherto been dealt with outside the programme.

The sum set down for expenditure during 1899-1900 is Rx. 6,772,700. In consequence, however, of the heavy lapse, amounting to Rx. 2,401,400, on the grant for 1898-99, to which reference has already been made and which was in a great measure due to short outlay in England consequent on the failure of contractors to complete orders placed with them for stores, it has been agreed, with the concurrence of the Secretary of State, to add a sum of Rx. 1,060,000, representing a portion of this lapse to the grant for 1899-1900, and a further sum of Rx. 1,090,000 subsequently reduced to Rx. 990,000 has been provisionally added under certain conditions with the concurrence of Finance Department, subject to Secretary of State's approval. With this addition the total amount available for expenditure on construction of Railways during 1899-1900 will stand at Rx. 8,822,700.

This sum has been distributed for expenditure on Railways as under :—

	Rx.
34.—Construction of Protective Railways	490,000
48.—State Railways—Construction	3,465,000
Capital of Indian Railway Companies	2,841,900
Branch Line Companies	168,000
Guaranteed Railways and Extensions	1,107,800
East Indian Railway Company's debentures	750,000
Total amount available	8,822,700

6. Statement A appended to this memorandum gives the programme as modified up to date, and shows also the progress made with such of the lines accepted by Government on the recommendation of the Conference for early construction as have been brought within the programme. The distribution of the amount it shows as available for expenditure during 1899-1900 and subsequent years will, of course, be liable to modification according to circumstances.

7. Statements B and C show how matters stand in regard to lines recommended for early construction at the cost of Branch Line Companies, Native States, etc., outside the programme, and either actually taken in hand or under consideration and negotiation with a view to construction; and Statement D summarises the actual and anticipated progress of railway construction generally for the two years, 1898-99 and 1899-1900.

A. C. TREVOR.

STATEMENT A IN APPENDIX III.

Statement referred to in paragraph 6 of the Minute, showing the expenditure actually incurred and the estimated further expenditure to be incurred on Railways to end of 1901-1902.

Statement of Forecast of Capital Expenditure

No.	Railway.	Length.	Approximate cost according to latest information or estimates.	Expenditure to 31st March 1898.	Revised Estimate, 1898-99.
1	2	3	4	5	6
		Miles.	Rx.	Rx.	Rx.
	I.—FROM IMPERIAL FUNDS.				
	(i)—By State Agency.				
	Open Lines.				
	Expenditure on open lines worked by the State	...	...	...	1,402,300
	Lines under Construction.				
1	Nowshera-Dargai	40	117,600	...	...
2	Eastern Bengal system. i.—Ranaghat-Godagari	93	930,000	...	...
3	Eastern Bengal system. ii.—Ganges Bridge at Godagari	...	1,000,000	...	...
4	Eastern Bengal system. iii.—Godagari-Maldah	60	600,000	...	...
5	Eastern Bengal system. iv.—Maldah-Raeganj	40	300,000	...	...
6	Eastern Bengal system. v.—Rungpore-Dhubri	51	468,800	...	...
7	East Coast, Godavari Bridge	...	597,000	153,800	166,400
8	Rae Bareli-Benares Extension	139	843,400	762,500	54,400
9	Mari-Attock	87	1,611,500	1,377,400	142,500
10	Kotri-Rohri, Indus Bridge	...	310,100	169,500	108,400
11	Bhatinda-Ferozepore conversion to 5' 6" gauge	55	178,800	108,200	64,700
12	Rungpore-Dhubri, Teesta Bridge	...	151,900	10,800	46,100
13	Cooch Behar-Santrabari, British section	29	45,600	8,000	30,300
14	Rajbari-Faridpore Branch, Eastern Bengal Railway	14	136,000	56,900	26,100
15	Shadipalli-Balotra (i) British section	75	315,600	2,700	100,300
16	Shadipalli-Balotra (ii) Conversion of H. U. section	55	63,300		
17	Agra-Delhi Chord	121	907,600	6,200	...
18	Ghaziabad-Moradabad Chord	87	823,000	...	238,000
	Reserve	...	...	...	...
	Total Lines under Construction	937	9,400,200	2,656,000	977,200
	Total I (i)—By State Agency	937	9,400,200	2,656,000	2,379,500

on Railways to end of 1901-1902.

Total probable expenditure to 31st March 1899 (Cols. 5+6).	Budget Estimate, 1899-1900.	Forecast for		Total probable expenditure up to end of 1901-1902.	No.	Remarks.
		1900-1901.	1901-1902.			
		Subject to alteration.				
7	8	9	10	11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
...	625,800	650,000	650,000	...		
...	120,000	50,000	...	170,000	1	New projects.
...	...	100,000	100,000	200,000	2	
...	...	100,000	100,000	200,000	3	
...	...	50,000	50,000	100,000	4	
...	...	50,000	50,000	100,000	5	
...	100,000	200,000	200,000	500,000	6	
320,200	200,000	100,000	...	620,200	7	
816,900	4,000	...	...	820,900	8	
1,519,900	25,000	...	...	1,544,900	9	
277,900	35,000	...	...	312,900	10	
172,900	...	...	...	172,900	11	
56,900	111,500	...	...	168,400	12	
38,300	12,500	...	...	50,800	13	
83,000	...	...	...	83,000	14	
103,000	100,000	47,200	...	250,200	15	
...					16	
6,200	...	200,000	200,000	406,200	17	
238,000	332,600	200,000	323,000	1,093,600	18	New project
...	162,600	...	...	162,600		Reserve.
3,633,200	1,203,200	1,097,200	1,023,000	6,956,600		
3,633,200	1,829,000	1,747,200	1,673,000	6,956,600		

Statement of Forecast of Capital Expenditure

No.	Railway.	Length.	Approximate cost according to latest information or estimates.	Expenditure to 31st March 1898.	Revised Estimate, 1898-99.
1	2	3	4	5	6
		Miles.	Rx.	Rx.	Rx.
	I.—FROM IMPERIAL FUNDS—*contd.*				
	Brought forward	937	9,400,200	2,656,000	2,379,500
	(ii)—BY THE AGENCY OF MAIN LINE COMPANIES.				
	Open Lines.				
	Expenditure on open lines worked by the Agency of Companies.	...	...	...	770,400
	Lines under Construction.				
19	Rajputana-Malwa, Godhra-Baroda chord	45	341,200	...	...
20	Tirhoot, Hajipore-Begum Sarai-Katihar Extension	158	1,223,100	604,400	250,000
21	Tirhoot, Sakri-Jainagar Branch	30	158,600	...	...
22	Assam-Bengal (i) Construction, chargeable to Part II	736	10,258,800	* 6,469,500	1,180,400
23	Assam-Bengal (ii) Land, chargeable to Part I	...	505,000	331,700	22,000
24	East Indian, Moghalsarai-Gya Extension	126	1,511,100	701,400	529,100
25	Ditto Dehree-Daltonganj	78	721,800	...	20,000
26	Ditto Shikhoabad-Farakhabad Branch	66	452,000	...	...
27	South Indian, Negapatam-Nagore Branch	5	23,900	...	...
28	Ditto Madura-Pamban	102	459,000	...	...
29	Tinnevelley-Quilon, British Section	45	250,000	...	...
	Total Lines under Construction	1,391	16,004,500	8,107,000	2,001,500
	Total I (ii)—By Main Line Companies	1,391	16,004,500	8,107,000	2,771,900
	GRAND TOTAL I—From Imperial Funds	2,328	25,404,700	10,763,000	5,151,400

* Includes Rx. 3,656,000 from Company's funds.

on Railways to end of 1901-1902—contd.

Total probable expenditure to 31st March 1899. (Cols. 5+6.)	Budget Estimate, 1899-1900.	Forecast for 1900-1901. Subject to alteration.	Forecast for 1901-1902. Subject to alteration.	Total probable expenditure up to end of 1901-1902.	No.	Remarks.
7	8	9	10	11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
3,633,200	1,829,000	1,747,200	1,673,000	6,956,600		
...	1,308,500	1,260,000	1,310,000	...		
...	...	...	100,000	100,000	19	New project.
854,400	200,000	...	...	1,054.400	20	
...	...	...	...	...	21	New project.
7,649,900	780,000	500,000	500,000	9,803,600	22	
353,700	20,000				23	
1,230,500	200,000	212,000	...	1,642,500	24	
20,000	180,000	200,000	373,500	773,500	25	
...	...	200,000	152,000	352,000	26	
...	17,500	...	...	17,500	27	
...	100,000	100,000	220,000	420,000	28	New projects.
...	70,000	80,000	100,000	250,000	29	Native State Section, 58 miles in length and costing Rx. 766,200 put outside the Programme as involving no liability.
10,108,500	1,567,500	1,292,000	1,445,500	14,413,500	...	
10,108,500	2,876,000	2,552,000	2,755,500	14,413,500	...	
13,741,700	4,705,000	4,299,200	4,428,500	21,370,100	...	

Statement of Forecast of Capital Expenditure

No.	Railway.	Length.	Approximate cost according to latest information or estimate.	Expenditure to 31st March 1898.	Revised Estimate, 1898-99.
1	2	3	4	5	6
		Miles.	Rx.	Rx.	Rx.
	II.—Against the Capital Accounts of the 3 old Guaranteed Railway Companies.				
	Open Lines.				
30	Great Indian Peninsula	...	...	...	73,600
31	Madras	...	...	...	20,100
32	Bombay, Baroda and Central India	...	...	...	459,100
	Total Open Lines	...	...	...	(a)552,800
	Lines under Construction.				
33	Amalner-Jalgaon Branch, G. I. P. R.	34	385,100	...	228,200
34	Chalisgaon-Dhulia Branch, G. I. P. R.	37	359,700	...	
35	Dhulia-Amalner Branch, Great Indian Peninsula	20	200,000	...	...
36	Calicut-Cannanore Branch, Madras Railway	59	737,500	6,300	70,600
37	Coonoor-Ootacamund, Nilgiri	12	192,000	...	...
	Total Lines under Construction	162	1,874,300	6,300	298,800
	Grand Total II.—Against the Capital Accounts of the 3 old Guaranteed Railway Companies.	162	1,874,300	6,300	851,600
	III.—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies.				
	Open Lines.				
38	Bengal Central	...	...	...	78,100
39	Bengal-Nagpur	...	...	...	108,300
40	Burma	...	...	...	94,300
41	Indian Midland	...	...	...	203,000
42	Lucknow-Bareilly	...	...	...	15,300
43	Southern Mahratta (including Mysore)	...	...	...	79,900
	Total Open Lines	...	...	...	578,900
	Carried over	...	...	...	578,900

(a) Not included in programme for 3 years 1896-97 to 1898-99.

on Railways to end of 1901-1902—contd.

Total probable expenditure to 31st March 1899. (Cols. 5+6.)	Budget Estimate, 1899-1900.	Forecast for 1900-1901. (Subject to alteration.)	Forecast for 1901-1902. (Subject to alteration.)	Total probable expenditure up to end of 1901-1902.	No.	Remarks.
7	8	9	10	11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
...	74,000	90,000	90,000	...	30	
...	60,000	60,000	60,000	...	31	
...	410,000	100,000	100,000	...	32	
...	544,000	250,000	250,000	...		
228,200	363,400	...	...	591,600	33	
...	...	...	...	...	34	
...	...	100,000	100,000	200,000	35	New project.
76,900	200,400	100,000	121,400	498,700	36	
...	...	100,000	...	100,000	37	New project.
305,100	563,800	300,000	221,400	1,390,300		
305,100	1,107,800	550,000	471,400	1,390,300		
...	40,000	40,000	40,000	...	38	
...	100,000	300,000	300,000	...	39	
...	12,100	120,000	120,000	...	40	
...	165,000	50,000	50,000	...	41	
...	6,900	30,000	30,000	...	42	
...	60,000	60,000	60,000	...	43	
...	384,000	600,000	600,000	...		
...	384,000	600,000	600,000	...		

Statement of Forecast of Capital Expenditure

No.	Railway.		Length.	Approximate cost according to latest information or estimates.	Expenditure to 31st March 1898.	Revised Estimate, 1898-99.
1	2		3	4	5	6
			Miles.	Rx.	Rx.	Rx.
	III.—AGAINST THE CAPITAL ACCOUNTS OF INDIAN RAILWAY COMPANIES OTHER THAN THE 3 OLD GUARANTEED RAILWAY COMPANIES—*contd.*					
	Brought forward		...	...	...	578,900
	Lines under Construction.					
44	Bengal-Nagpur	Sini-Midnapore-Cuttack-Calcutta	361	8,000,000	3,506,800	1,752,700
45		Raipur-Dhamtari	56	114,100		
46		Midnapore-Jherria Extension	122	1,221,200	...	...
47		Khargpur-Midnapore	8	142,500	...	...
48		Gondia-Satpura	237	811,000	...	...
49	Burma	Mandalay-Kunlon	223	2,250,000	880,100	299,700
50		Meiktila-Myingyan	58	361,400	...	185,700
51		Sagaing-Monywa-Alon	75	399,500	...	120,300
52		Thonze-Henzada-Bassein Extension	112	780,000	...	...
	Total Lines under Construction		1,254	14,079,700	4,386,900	2,358,400
	GRAND TOTAL III—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies.		1,254	14,079,700	4,386,900	2,937,300
	IV.—AGAINST THE CAPITAL ACCOUNTS OF BRANCH LINE COMPANIES WHICH ARE IN RECEIPT OF A FIRM GUARANTEE.					
	Lines under Construction.					
53	Hurdwar-Dehra		30	300,000	36,500	150,000(*a*)
54	Brahmaputra-Sultanpore		60	342,700	88,700	68,000(*a*)
	GRAND TOTAL IV.—Against the Capital Accounts of Branch Line Companies.		90	642,700	125,200	218,000

(*a*) Not included in programme for 3 years 1896-97 to 1898-99.

on Railways to end of 1901-1902—contd.

Total probable expenditure to 31st March 1899. (Cols. 5+6.)	Budget Estimate, 1899-1900.	Forecast for		Total probable expenditure up to end of 1901-1902.	No.	Remarks.
		1900-1901.	1901-1902.			
		Subject to alteration.				
7	8	9	10	11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
...	384,000	600,000	600,000	...	...	
5,259,500	1,557,500	200,000	20,700	7,037,700	44, 45	
...	...	600,000	650,000	1,250,000	46	New projects.
...	112,500	...	...	112,500	47	
...	...	...	100,000	100,000	48	
1,179,800	435,500	300,000	322,500	2,237,800	49	
185,700	112,400	70,000	85,900	454,000	50	
120,300	240,000	50,000	42,000	452,300	51	
...	...	...	100,000	100,000	52	New project.
6,745,300	2,457,900	1,220,000	1,321,100	11,744,300	...	
6,745,300	2,841,900	1,820,000	1,921,100	11,744,300	...	
186,500	88,000	37,500	...	312,000	53	
[illegible]	80,000	21,700	...	258,400	54	
	168,000	59,200	...	570,400	...	

Statement of Forecast of Capital Expenditure

No.	Railway.	Length.	Approximate cost according to latest information or estimates.	Expenditure to 31st March 1898.	Revised Estimate, 1898-99.
1	2	3	4	5	6
	ABSTRACT.	Miles.	Rx.	Rx.	Rx.
	I.—From Imperial Funds. (i) By State Agency. (a) Open Lines	...	...	...	1,402,300
	I.—From Imperial Funds. (i) By State Agency. (b) Construction	937	9,400,200	2,656,000	977,200
	I.—From Imperial Funds. (i) By State Agency. Total	937	9,400,200	2,656,000	2,379,500
	I.—From Imperial Funds. (ii) By the Agency of Main Line Companies. (a) Open Lines	...	...	...	770,400
	I.—From Imperial Funds. (ii) By the Agency of Main Line Companies. (b) Construction	1,391	16,004,500	8,107,000	2,001,500
	I.—From Imperial Funds. (ii) By the Agency of Main Line Companies. Total	1,391	16,004,500	8,107,000	2,771,900
	TOTAL I	2,328	25,404,700	10,763,000	5,151,400
	II.—Against the Capital Accounts of the 3 old Guaranteed Railway Companies. (a) Open Lines	...	...	...	(a) 552,800
	II.—Against the Capital Accounts of the 3 old Guaranteed Railway Companies. (b) Construction	162	1,874,300	6,300	298,800
	TOTAL II	162	1,874,300	6,300	851,600
	III.—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies. (a) Open Lines	...	...	...	578,900
	III.—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies. (b) Construction	1,254	14,079,700	4,386,900	2,358,400
	TOTAL III	1,254	14,079,700	4,386,900	2,937,300
	IV.—Against the Capital Accounts of Brarch Line Companies which are in receipt of a firm Government guarantee. (a) Open Lines	...	...	...	...
	IV.—Against the Capital Accounts of Brarch Line Companies which are in receipt of a firm Government guarantee. (b) Construction	90	642,700	125,200	(a) 218,000
	TOTAL IV	90	642,700	125,200	218,000
	TOTAL, I TO IV (a) Open Lines	...	...	...	3,304,400
	TOTAL, I TO IV (b) Construction	3,834	42,001,400	15,281,400	5,853,900
	GRAND TOTAL	3,834	42,001,400	15,281,400	9,158,300

(a) Not included in programme for 3 years 1896-97 to 1898-99.

on Railways to end of 1901-1902—concld.

Total expenditure to 31st March 1899. (Cols. 5+6.)	Budget Estimate, 1899-1900.	Forecast for		Total probable expenditure up to end of 1901-1902.	No.	Remarks.
		1900-1901.	1901-1902.			
		Subject to alteration.				
7	8	9	10	11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
...	625,800	650,000	650,000	...	...	
3,633,200	1,203,200	1,097,200	1,023,000	6,956,600	...	
3,633,200	1,829,000	1,747,200	1,673,000	6,956,600	...	
...	1,308,500	1,260,000	1,310,000	...	...	
10,108,500	1,567,500	1,292,000	1,445,500	14,413,500	...	
10,108,500	2,876,000	2,552,000	2,755,500	14,413,500	...	
13,741,700	4,705,000	4,299,200	4,428,500	21,370,100	...	
...	544,000	250,000	250,000	...	...	
305,100	563,800	300,000	221,400	1,390,300	...	
305,100	1,107,800	550,000	471,400	1,390,300	...	
...	384,000	600,000	600,000	...	...	
6,745,300	2,457,900	1,220,000	1,321,100	11,744,300	...	
6,745,300	2,841,900	1,820,000	1,921,100	11,744,300	...	
...	...	...	...	...	...	
343,200	168,000	59,200	...	570,400	...	
343,200	168,000	59,200	...	570,400	...	
...	2,862,300	2,760,000	2,810,000	...	...	
21,135,300	5,960,400	3,968,400	4,011,000	35,075,100	...	
21,135,300	8,822,700	6,728,400	6,821,000	35,075,100	...	

STATEMENT B IN APPENDIX III.

Statement showing Railways recommended since 1895-96 for early construction outside the programme by the agency of—

(i) Branch Line Companies,

(ii) Native States,

(iii) Railway Companies to which free land and minor concessions are given,

which have actually been commenced or arranged for, omitting those shown in last year's Appendix B as completed.

Railway.	Length.	Estimated or approximate cost.	Remarks.
	Miles.	Rx.	
(I) By Branch Line Companies.			
(a) *Lines shown as under construction in 1897-98.*			
Segowlie-Ruksaul	18	99,800	Completed and opened to traffic.
Open	18	99,800	
South Behar	79	1,129,407	Under construction by the agency of the East Indian Railway Company. More than ¾ths finished.
Tapti Valley (Surat-Nandurbar-Amalner)	156	1,400,139	Under construction by the agency of the Bombay, Baroda and Central India Railway Company. More than ¾ths finished. First section to Vyara opened to traffic.
*Hurdwar-Dehra	32	300,000	Under construction by the State for the Branch Line Company. Tunnels completed and nearly half of line finished.
*Brahmaputra-Sultanpur	60	342,700	Under construction by the agency of the Eastern Bengal Railway. Nearly half finished.
Mymensingh-Jamalpur Jamalpur-Jagganathganj	54	205,500	Ditto More than ¾ths finished. First section to Jamalpur opened to traffic.
Under Construction	381	3,377,746	
(b) *Recommended lines shown as under consideration or negotiation in 1897-98.*			
Narwana-Kaithal Branch	23	100,000	Completed and opened to traffic.
Open	23	100,000	
Chandipur-Taki	39	172,000	Concession granted pending arrangements for financing the project and preparation of necessary survey and estimate of cost.
Amritsar-Tarn Taran-Sarhali	25	150,000	Concession granted. Commencement of work not yet authorised pending subscription of capital and submission of the detailed project.
	64	322,000	
(c) *New projects since put forward.*			
Nil.			
Total (I)	486	3,899,546	
(II) By Native States.			
Lines shown as under construction in 1897-98.			
[illegible]gadhra	21	66,200	Completed and opened to traffic.
[illegible] Extension	3	15,000	Opened to traffic.
Open	24	81,200	

[illegible]der new arrangements these two lines will be included in programme from next year.

STATEMENT B—*concld.*

Railway.	Length.	Estimated or approximate cost.	Remarks.
(*a*) *Lines shown as under construction in 1897-98*—contd.	Miles.	Rx.	
Birur-Shimoga Branch	38	185,000	Under construction by the Mysore Durbar. Nearly ¾ths finished.
Hyderabad-Godavari Valley	390	2,988,200	Under construction by the Nizam's Guaranteed State Railways Company. More than half finished.
Guna-Bara Extension	74	602,500	Under construction by the Durbars concerned. About ¾ths finished.
Shadipali-Balotra (Jodhpore Section)	135	427,700	Under construction by the Jodhpore Durbar. About half finished.
Jeypore-Chambal (Jeypore-Sawai-Madhopur)	73	343,200	Under construction by the Jeypore Durbar. About half finished.
Cooch Behar-Alipore	11	25,000	More than half finished.
Bikaner-Suratgarh	114	247,330	Fifty miles opened for traffic, 64 under construction.
Pardi-Nandod	18	60,690	Under construction for the Rajpipla Durbar-Pardi-Umalla Section, 5 miles, opened to traffic. About ⅓rd finished.
Under Construction	853	4,89,620	
(*b*) *Recommended lines shown as under consideration or negotiation in 1897-98.*			
Ludhiana-Dhuri-Jakhal	81	416,600	Construction sanctioned, but commencement as a railway project not yet authorised pending settlement of agreement with the Durbars concerned.
Gwalior-Bhind-Chambalghat	46*	86,300	Half finished. * Excluding 6·54 miles of the existing line, which will require slight alterations.
	127	502,900	
(*c*) *New projects put forward since 1897-98 and commenced or arranged for.*			
Tinnevelly-Quilon (Native State Section)	58	766,200	Accepted for construction without any Government guarantee.
TOTAL (II)	1,062	6,229,920	
(III) BY RAILWAY COMPANIES TO WHICH FREE LAND AND MINOR CONCESSIONS ARE GIVEN.			
(*a*) *Lines shown as under construction or actually arranged for in 1897-98.*			
Bengal and North-Western Railway Extension (Benares-Turtipur and Branches)	210	1,318,100	Under construction. More than half finished.
Barsi Road-Pandharpur Extension	33	133,925	Concession granted to the Barsi Light Railway Company. Work not yet commenced.
Nilgiri (Mettupalaiyam-Coonoor)	17	355,000	Completed, but damaged by heavy rain as it was about to be opened to traffic.
	260	1,807,025	
(*b*) *Recommended line shown as under consideration or negotiation in 1897-98.*			
Kalka-Simla	68	700,000	Contract executed and capital partly subscribed, but commencement of work not yet authorised, pending submission of, and sanction to, the detailed project.
Bengal Dooars Extensions	126	611,100	Contract executed, estimates sanctioned and work commenced.
	194	1,311,100	
(*c*) *New projects put forward since 1897-98 and commenced or arranged for.* *Nil.*			
TOTAL (III)	454	3,118,125	
GRAND TOTAL (I) TO (III)	2,002	13,247,591	

STATEMENT C IN APPENDIX III.

Statement showing Railways recommended since 1895-96 for construction outside the programme by the agency of—

(i) Branch Line Companies,

(ii) Native States,

(iii) Railway Companies to which free land and minor concessions are given, but not yet actually commenced or arranged for.

Railway.	Length.	Estimated or approximate cost.	Remarks.
	Miles.	Rx.	
(I) By Branch Line Companies.			
(a) Lines included in the list of 1897-98 as under consideration.			
Bhagalpur-Bausi-Baidyanath	90	739,700	Concession being arranged.
Ahmadpur-Baidyanath	62	551,700	Negotiations in progress.
Gogri (Mansi)-Baptiahi	85	500,700	Concession being arranged.
Kurnool Road Branch	36	120,000	Under consideration.
Jullundur-Hoshiarpur	25	150,000	Ditto ditto.
Ahmedabad-Dholka (Sabarmati-Dholka)	34	130,800	Ditto ditto.
Nadiad-Kapadvanj	28	87,400	Ditto ditto.
Nilgiri Extension (Coonoor-Ootacamund)	12	192,000	Ditto ditto.
Mutupet-Avadyarkoil	45	150,000	Construction by the Tanjore District Board agreed to.
Shibnibash (Kissengunge)-Kotchandpur-Magura.	51	130,000	Under consideration.
(b) New projects since put forward or recommended.			
Ammayânayakanur-Kuruvanath	75	500,000	Negotiations in progress.
Sylhet District tramways	43	120,000	Under consideration.
Cachar District tramways	60	147,500	Ditto ditto.
Bezvada-Masulipatam	44	530,000	Ditto ditto.
Total (I)	690	4,049,800	
(II) By Native States.			
(a) Lines included in the list of 1897-98 as under consideration.			
Arsikere-Hassan	27	192,500	Under consideration by the Mysore Durbar.
Bara-Kotah (2 feet)	43	95,000	Under consideration by the Kotah Durbar.
Mysore-Fraserpet	52	250,000	Under consideration by the Mysore Durbar.
(b) New projects since put forward or recommended.			
	64	917,700	Under consideration by the Travancore Durbar.
Total (II)	186	1,455,200	

STATEMENT C—*concld.*

Railway.	Length.	Estimated or approximate cost.	REMARKS.
	Miles.	Rx.	
(III) BY RAILWAY COMPANIES TO WHICH FREE LAND AND MINOR CONCESSIONS ARE GIVEN.			
(a) Lines included in the list of 1897-98 as under consideration.			
Bengal Dooars Extension (Bagrakote to Daling coal-fields).	5	34,000	Contract executed subject to the condition that the Company agrees to construct such line.
Vizianagram-Bimlipatam	15	93,900	Negotiations in progress.
Laksam-Noakhali-Ichakhali	38	228,000	Negotiations in progress. Alternative for Feni-Noakhali line.
(b) New projects since put forward or recommended.			
Gorakhpur-Bagaha	65	334,000	Under consideration.
Ballia-Ghazipur	34	156,400	Ditto ditto.
Jaunpur-Aunrihar	34	129,200	Ditto ditto.
TOTAL (III) .	191	975,500	
GRAND TOTAL (I) TO (III) .	1,067	6,480,500	

STATEMENT D IN APPENDIX III.

Memorandum on the construction of railways.

1. At the commencement of 1898-99, *i.e.*, on the 1st April 1898, the total length of railways open for traffic was 21,198·08 miles, made up as follows:—

		Miles.	Miles.
(i)	East Indian	1,705·09	
	Bengal Central (*a*)	125·01	
	Bengal-Nágpur	860·88	
	Indian Midland	727·39	
	Bhopal-Itársi (*British section*)	(*b*) 13·11	
	Godhra-Ratlam-Nágdá	(*c*) 140·91	
	Wardha Coal	(*d*) 41·88	
	Dhond-Manmád	(*d*) 145·44	
	Bezwada extension—East Coast State	(*e*) 20·58	
	Madras-Ennúr section—Bezwada-Madras	(*f*) 8·45	3,791·74
(ii)	North Western	(*g*) 2,817·02	
	Hyderabad-Shadipalli	(*h*) 58·91	
	Oudh and Rohilkhand	812·37	
	Eastern Bengal	(*v*) 255·79	
	Calcutta Port Commissioners'	8·53	
	East Coast	(*i*) 538·78	4,491·40
(iii)	Great Indian Peninsula	1,288·00	
	Bombay, Baroda and Central India	460·90	
	Madras	839·23	2,588·13
(iv)	Delhi-Umballa-Kalka	(*j*) 162·24	
	Tarkessur	(*j*) 22·23	
	Southern Punjab (Delhi-Samásata)	(*h*) 399·80	584·27
(v)	Khámgaon	(*d*) 7·55	
	Amráoti	(*d*) 5·44	
	Bina-Goona	(*b*) 71·74	
	Bhopal-Ujjain	(*b*) 113·52	
	Bhopal-Itársi (*Native state section*)	(*b*) 44·28	
	The Nizam's Guaranteed state	(*k*) 332·32	
	Nágdá-Ujjain	(*c*) 34·67	
	The Gaekwar's Petlád	(*c*) 13·35	
	Kolar Gold-fields	(*f*) 10·00	632·87
(vi)	Rajpurá-Bhátinda	(*h*) 107·94	
	Jammu and Kashmir (*Native state section*)	(*h*) 15·92	123·86
(vii)	Bengal and North-Western—		
	Tirhoot section	341·80	
	Company's section (*l*)	515·90	
	Lucknow-Bareilly section—Rohilkund and Kumaon	231·17	
	Rajputana-Malwa	(*c*) 1,673·93	
	Pálanpur-Deesa	(*c*) 17·28	
	Southern Mahratta	1,042·04	
	Guntakal-Mysore frontier	(*m*) 119·50	
	Mysore section—Southern Mahratta	296·00	
	South Indian	1,041·59	
	Máyavaram-Mutupet	(*n*) 53·99	
	Assam-Bengal	(*w*) 360·63	
	Burma	936·45	6,630·28
(viii)	Eastern Bengal—		
	Northern and Behar sections (*including the Kaunia-Dharila, 2'.6" gauge, branch*)	478·47	
	Dacca section	85·92	
	Cawnpore-Burhwal (*Metre gauge link*)	(*o*) 79·60	643·99
(ix)	Deoghur	4·79	
	Rohilkund and Kumaon (*Company's section*)	53·92	
	Bengal Dooars	36·40	
	Dibru-Sadiya	77·50	
	Ledo and Tikak-Margherita Colliery	10·00	
	Ahmedabad-Parántij	(*c*) 54·59	237·20
(x)	The Gaekwar's Mehsána	(*c*) 92·63	
	Kolhápur	(*m*) 29·07	
	Yesvantpur-Mysore frontier	(*m*) 51·35	
	Mysore-Nanjangúd	(*m*) 15·25	188·30
(xi)	Jodhpore-Bickaneer	364·00	
	Oodeypore-Chitor	60·39	
	Bhávnagar-Gondal-Junágad-Porbandar	(*p*) 333·46	
	Jetalsar-Rájkot	(*q*) 46·23	
	Jámnagar (*r*)	(*q*) 54·28	858·36
(xii)	West of India Portuguese	51·00	
	Pondicherry	(*n*) 7·80	
	Káraikkal-Peralam	(*n*) 14·45	73·25
(xiii)	Cherra-Companyganj (2' 6")	8·00	
	Jorhát (2' 0")	28·25	36·25
(xiv)	Darjeeling-Himalayan (2' 0")	51·00	
	Bársi Light (2' 6")	21·75	
	Tarakeshwar-Magra (2' 6")	(*s*) 31·12	103·87
(xv)	The Gaekwar's Dabhoi (2' 6")	(*c*) 78·80	
	Rajpipla (2' 6")	(*c*) 19·03	97·83
(xvi)	Cooch Behar (2' 6")		(*t*) 22·12
(xvii)	Morvi (2' 6")		94·36

		Miles.	Miles.
Standard gauge—			
(i)	State lines worked by companies		3,791·74
(ii)	State lines worked by the State		4,491·40
(iii)	Guaranteed companies		2,588·13
(iv)	Assisted companies		584·27
(v)	Lines owned by native states and worked by companies		632·87
(vi)	Lines owned by native states and worked by State railway agency		123·86
			12,212·27
Metre gauge—			
(vii)	State lines worked by companies		6,630·28
(viii)	State lines worked by the State		643·99
(ix)	Assisted companies		237·20
(x)	Lines owned by native states and worked by companies		188·30
(xi)	Lines owned and worked by native states		858·36
(xii)	Foreign lines		73·25
			8,631·38
Special gauges—			
(xiii)	State lines worked by the State		36·25
(xiv)	Assisted companies		103·87
(xv)	Lines owned by native states and worked by companies		97·83
(xvi)	Lines owned by native states and worked by State railway agency		22·12
(xvii)	Lines owned and worked by native states		94·36
			354·43
	TOTAL		(*u*) 21,198·08

(*a*) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.
(*b*) Worked by the Indian Midland Railway Company.
(*c*) Worked by the Bombay, Baroda and Central India Railway Company.
(*d*) Worked by the Great Indian Peninsula Railway Company.
(*e*) Forming an integral part of the East Coast State railway, this line is shown separately as it is worked by the Nizam's Guaranteed State Railway Company.
(*f*) Worked by the Madras Railway Company.
(*g*) Including the Sind-Pishin and Mushkaf-Bolán railways and 6·12 miles of military railway open for public traffic.
(*h*) Worked by the North Western State railway.
(*i*) Including 1·50 miles of extension, *vide* foot-note (*e*).
(*j*) Worked by the North Western Railway Company.
(*k*) Including the Secunderabad-Wadi-Secunderabad troop siding, constructed but not used for traffic.
(*l*) Although classed amongst State railways, this line is the property of the North-Western Railway Company.
(*m*) Worked by the Southern Mahratta Railway Company.
(*n*) Worked by the South Indian Railway Company.
(*o*) Excluding 3·66 miles of the Lucknow-Bareilly railway between Daliganj and Aishbagh.
(*p*) Including 4·50 miles of Bhávnagar Dock estates and Junágad quarry lines.
(*q*) Worked by the Bhávnagar-Gondal-Junágad-Porbandar railway.
(*r*) Including 13·99 miles of Bedi-Bandar Dock estate sidings.
(*s*) Constituted a railway from the 19th May 1896. Previously omitted.
(*t*) Worked by the Eastern Bengal State railway.
(*u*) Including the mileage of the Cherra-Companyganj railway, which is treated as a steam tramway for administrative purposes only. This line was damaged by floods and was open up to 30th April 1893 only. It was reopened for goods traffic from 23rd December 1898.
(*v*) Including 2·30 miles from Belgachhi to the Ganges constructed but not worked. This length was open for traffic from the 1st to the 8th October 1897.
(*w*) Includes the Gauhati-Jamuna Mukh section, 74·73 miles, temporarily closed to traffic from 13th June 1897 on account of damages done by earthquake.

2. And the mileage under construction or sanctioned for construction on the same date was 4,295·66 miles(*e*), as follows:—

		Miles.	Miles.
Standard gauge—			
(i)	State lines worked by companies	708·41	
(ii)	State lines worked by the State	672·38	
(iii)	Guaranteed companies	134·71	
(iv)	Assisted companies	293·20	
(v)	Lines owned by native states and worked by companies	76 00	
(vi)	Lines owned by native states and worked by State railway agency	80·32	
			1,965·02
Metre gauge—			
(vii)	State lines worked by companies	1,023·81	
(viii)	State lines worked by the State	76·13	
(ix)	Assisted companies	270·08	
(x)	Lines owned by native states and worked by companies	428·29	
(xi)	Lines owned and worked by native states	285·60	
			2,083·91
Special gauges—			
(xii)	State lines worked by companies	56·67	
(xiii)	State lines worked by the State	20·08	
(xiv)	Assisted companies	33·00	
(xv)	Lines owned by native states and worked by companies	48·80	
(xvi)	Lines owned by native states and worked by State railway agency	15·22	
(xvii)	Lines owned and worked by native states	72·96	
			246·73
TOTAL		(*e*)4,295·66	

There was thus a grand total of railways completed and in hand, on the 1st April 1898, of miles **25,493·74**(*f*)

			Miles.	Miles.	Miles.
(i)	East Indian—	Moghal Sarai to Gya	126·26		
		Háthras Road to Háthas City	5·61		
		Shikohabad to Farukhabad	(*a*) 66·00	280·37	
		Bárán to Daltonganj, including colliery branch	(*a*) 82·50		708·41
	Bengal-Nágpur—	Sini *viâ* Midnapore to Howrah	170·00		
		Midnapore to Barang (Cuttack)	190·00	360·00	
	Indian Midland—	Damo to Katni		68·04	
(ii)	North Western—	Lyallpur to Khanewal	105·00		
		Kotri to Hyderabad (Sind)	5·30		
		Campbellpore Cantonment to Basal (New Pind-Sultani)	25·00	190·30	
		Langar (*b*) to Mári	55·00		
	Oudh and Rohilkhand—	Rae Bareli to Benares	138·69		
		Ghaziabad to Moradabad	87·00	225·69	672·38
	Eastern Bengal—	Panchooria to Faridpur	14·59		
		Panchooria to the Ganges	5·50	20·09	
	East Coast—	Temporary Puri station to permanent Puri station	1·89		
		Godávari bridge at Rajamundry and approaches	4·55	6·44	
	Bezwada-Madras (*Ennúr-Bezwada section*)—	Ennúr to Gudur	74·60		
		Nellore (*c*) to Tadêpalli	155·26	229·86	
(iii)	Great Indian Peninsula—	Amalner to Jalgaon	34·05		
		Chalisgaon to Dhulia	37·31	71·36	
	Madras—	Calicut to Cannanore	59·00		134·71
		Arcot to Ranipet	4·35	63·35	
(iv)	Southern Punjab (*Delhi-Samásata*)—	Delhi Brewery to Delhi	0·79		
		Narwana to Kaithal	25·00	25·79	
	South Behar (*Luckeeserai-Gya*)—	Luckeeserai to Gya		79·00	293·20
	Hardwar-Dehra—	Hardwar to Dehra		32·01	
	Tápti Valley—	Surat to Amalner		156·40	
(v)	Bína-Goona—	Goona to Bara			76·00
(vi)	Ludhiána-Dhuri-Jakhel—	Ludhiána *viâ* Dhuri to Jakhal			(*a*) 80·32
(vii)	Bengal and North-Western—				
	Tirhoot section—	Hajeepore to Begamserai	44·25	161·00	
		Garhara to Katihár	116·75		
	Company's section—	Balrámpur to Tulsipur	20·00		424·52
	Ganges-Gogra Doab lines—	Tartipur to Benares	83·20		
		Mau to Shahganj	60·00	263·52	
		Mau *viâ* Ballia to Revelganj	71·32		
		Aunrihar to Gházipur	29·00		1,023·81
	Assam-Bengal—	Badarpur to Makum	325·32		
		Badarpur to Silchar	18·62	381·57	
		Lumding to Jamuna Mukh	37·63		
	Burma—	Sèdaw to the right bank of the Salween river		217·72	
(viii)	Eastern Bengal—	Teesta bridge at Kaunia and approaches		4·87	
	Hyderabad (Sind)-Jodhpur frontier—	Hyderabad (Sind) to the Jodhpur frontier		(*d*)71·26	76·13
(ix)	Bengal Dooars—	Malbazar to Hantupara	46·00		
		Dam Dim to Bagrakote	6·76	121·76	
		Deomoni Hat to Lalmonir Hat	69·00		
	Brahmaputra-Sultanpur—	Sultanpur *viâ* Bogra to Kaliganj		59·70	
	Mymensingh-Jamálpur-Jagannathganj—	Mymensingh *viâ* Jamálpur to Jagannathganj		53·81	270·08
	Segowlie-Raksaul—	Segowlie to Raksaul		18·00	
	Nilgiri—	Méttupálaiyam to Coonoor		16·81	
(x)	Mysore-Nanjangúd—	Nanjangúd station to a point nearer the town of Nanjangúd		0·50	
	Birur-Shimoga—	Birur to Shimoga		37·98	428·29
	Hyderabad-Gódávari Valley—	Secunderabad to Manmád		389·81	
(xi)	Jodhpore-Bickaneer—				
	Jodhpore section—	Balotra to the Jodhpore frontier		134·81	
	Bickaneer section—	Bickaneer to Lankaransar		50·57	
	Oodeypore-Chitor—	Debari to Oodeypore		6·44	285·60
	Jeypore-Sewai-Madhopur—	Sanganer to Sewai-Madhopur		72·78	
	Dhrángadrá—	Wadhwán to Dhrángadrá		21·00	
(xii)	Raipur-Dhamtari branch (Bengal-Nágpur) (2′ 0″)—	Raipur to Dhamtari		(*a*) 45·00	56·67
		Abhanpur to Rajim		(*a*) 11·67	
(xiii)	Eastern Bengal, Cooch Behar-Santrabari extension (*British section*) (2′ 6″)—	Alipore to Jhainti			20·08
(xiv)	Bársi Light (2′ 6″)—	Bársi Road to Pandharpur			(*a*) 33·00
(xv)	Rewah (2′ 6″)—	Rewah to Sutna		(*a*)3	
	Rajpipla (2′ 6″)—	Raj Pardi to Nandod			
(xvi)	Cooch Behar (2′ 6″)—	Right bank of the Torsa river to the town of Cooch Beh			
		Cooch Behar to Alipore			
(xvii)	Gwalior-Sipri (2′ 0″)—	Gwalior to Sipri			

(*a*) Commencement of work not yet authorized.
(*b*) The length between Basal (New Pind-Sultáni) and Langar, 16 miles, is a part of the open mileage of the Khusálgarh branch.
(*c*) Excluding the existing South Indian, metre gauge, railway between Gudur and Nellore, 24·24 miles, subsequently taken over and con
(*d*) The mileage given is exclusive of 55·09 miles of the existing Hyderabad-Shadipally standard gauge railway to be converted to the m
(*e*) Excluding the Bhatinda-Ferozepore conversion (59·35 miles).
(*f*) Includes the mileage of the Cherra-Companyganj railway, which is treated as a steam tramway for administrative purposes only

		Miles.	Miles.	Miles.
(i)	Agra-Delhi chord—			
	Agra to Delhi	(a) 121·16		
	Bengal-Nágpur—			
	Khargpur to Midnapore	(b) 8·00		129·16
(ii)	South Indian—			
	Negapatam to Nagore	(b) 4·67		
	Burma			
	Meiktila to Myingyan	57·70		
	Sagaing to Alôn	74·50	132·20	136·87
(iii)	Jodhpore-Bickaneer (Bickaneer section)—			
	Bickaneer-Bhátinda Extension—			
	Lankaransar to Suratgarh	(b) 63·00		
	Gigasar to Palana	9·50	72·50	
(iv)	Tezpur-Balipara (2′ 6″)—			
	Tezpur ghât to Balipara	(f) 20·10		
	Howrah-Amta (2′ 0″)—			
	Telkulghat Howrah) to Amta	(g) 28·75		
	Bárgachi to Jugatbalabpur (branch)			
	Howrah-Sheakhalla (2′ 0″)—			
	Kadamtolla to Sheakhalla	(g) 19·25		
	Chanditolla to Jonai (branch)			
	Ránaghat-Krishnagar (2′ 6″)—			
	Right bank of the Churni river near Ránaghat to the left bank of the Jalangi river at Krishnagarh	(j) 20·20		
	Kalka-Simla (2′ 0″)—			
	Kalka to Simla	(a) 68·00		156·30
(v)	Gwalior-Chambal ghát (2′ 0″)—			
	Gwalior to Bhind		(c) 45·79	
(vi)	East Indian—			
	Háthras Road to Háthras City		5·61	
	Bengal-Nágpur—			
	Sini to Kolaghat	134·63		
	Khargpur to Barang (Cuttack)	190·00	324·63	
	Indian Midland—			
	Damoh to Katni		68·04	398·28
(vii)	North Western—			
	Lyallpur to Toba Tek Singh		49·00	
	Oudh and Rohilkhand—			
	Rae Bareli to Benares		138·69	
	Eastern Bengal—			
	Panchooria to the Ganges	5·50		
	Panchooria to Faridpur	14·59	20·09	
	East Coast, including Bezwada-Madras—			
	Temporary Puri station to permanent Puri station	1·84		
	Ennúr to Gudur	76·00		
	Gudur to Nellore	24·24		
	Nellore to Tadepalli	154·12	(d) 256·20	463·98
(viii)	Madras—			
	Walajah Road to Ranipet			4·35
(ix)	Southern Punjab (Delhi-Samásata)—			
	Narwana to Kaithal		(d) 23·00	
	Tápti Valley—			
	Kankra Khari to Vyara		35·25	58·25
(x)	Bengal and North-Western—			
	Company's section—			
	Balrámpur to Tulsipur	(d) 18·50		
	Gogra bridge at Bahramghât and approaches	8·27		
	Ganges Gogra Doab lines—			
	Turtipur to Azamgarh	51·35		
	Mau to Benares	58·85		
	Mau *vid* Ballia to Revelganj	71·32		
	Aunrihar to Gházipur	29·00	(i) 232·29	245·67
	South Indian—			
	Nellore to Gudur		(e)—24·24	
	Assam-Bengal—			
	Jamuna Mukh to Lanka	(k) 19·00		
	Badarpur to Silchar	18·62	37·62	
(xi)	Brahmaputra-Sultanpur—			
	Sultanpur to Bogra		23·50	
	Mymensingh-Jamalpur-Jagannathganj—			
	Mymensingh to Singhjáni		33·00	
	Segowli-Raksaul		18·00	
	Nílgiri—			
	Méttupálaiyam to Coonoor		(d) 16·90	91·40
(xii)	Jodhpore-Bickaneer—			
	Bickaneer section—			
	Bickaneer to Khari		41·67	
	Dhrángadrá—			
	Wadhwán to Dhrángadrá		(d) 20·83	62·50
(xiii)	Mysore-Nanjangúd—			
	Nanjangúd town to a point nearer the town of Nanjangúd			0·50
(xiv)	Tezpur-Balipara (2′ 6″)—			
	Tezpur ghât to Balipara		(f) 20·10	
	Howrah-Amta (2′ 0″)—			
	Telkulghât (Howrah) to Amta		(g) 28·75	
	Bárgachi to Jagatbalabpur (branch)			
	Howrah-Sheakhalla (2′ 0″)—			
	Kadamtolla to Sheakhalla		(g) 19·25	
	Chanditolla to Jonai (branch)			68·10
(xv)	Rajpipla (2′ 6″)—			
	Ras Pardi to Umalla			5·00
(xvi)	Cooch Behar (2′ 6″)—			
	Right bank of the Torsa river to the town of Cooch Behar		(d) 3·30	
	Cooch Behar to Alipore		11·50	14·80
(xvii)	Gwalior-Sipri (2′ 0″)—			
	Gwalior to Mohana		(d) 38·77	38·77

3. During 1898-99, *i.e.*, from 1st April 1898 to 31st March 1899, 540·62 miles of new railway were authorized as follows:

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies	129·16	129·16
Metre gauge—		
(ii) State lines worked by companies	136·87*	
(iii) Lines owned and worked by native states	72·50	209·37
Special gauges—		
(iv) Assisted companies	156·30	
(v) Lines owned and worked by native states	45·79	202·09
TOTAL		540·62

And 1,451·60 miles were opened to public traffic as follows:

	Miles.	Miles.
Standard gauge—		
(vi) State lines worked by companies	398·28	
(vii) State lines worked by the state	463·98	
(viii) Guaranteed companies	4·35	
(ix) Assisted companies	58·25	924·86
Metre gauge—		
(x) State lines worked by companies	245·67	
(xi) Assisted companies	91·40	
(xii) Lines owned and worked by native state	62·50	
(xiii) Lines owned by native states and worked by companies	0·50	400·07
Special gauges—		
(xiv) Assisted companies	68·10	
(xv) Lines owned by native states and worked by companies	5·00	
(xvi) Lines owned by native states and worked by State railway agency	14·80	
(xvii) Lines owned and worked by native states	38·77	126·67
TOTAL		(k) 1,451·60

...rk not yet authorized.
...d.
...clusive of 6·54 miles of the existing light railway.
... and added to the mileage of the Bezwada-Madras railway.
... 3rd May 1898.
...h October 1898.
...re conversion (59·35 miles), which is likely to be opened in April 1899.
..., which is shown separately.
... February 1899.
...*ide* foot-note *w* on page 119) has also been reopened.

4. The total length of open line at the commencement of 1899-1900, *i.e.*, on the 1st April 1899, will, therefore, be 22,650·96 miles, comprising :

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies	4,190·02	
(ii) State lines worked by the State	4,954·77	
(iii) Guaranteed companies	2,592·47	
(iv) Assisted companies	642·51	
(v) Lines owned by native states and worked by companies	632·87	
(vi) Lines owned by native states and worked by State railway agency	123·86	
		13,136·50
Metre gauge—		
(vii) State lines worked by companies	6,877·86	
(viii) State lines worked by the State	643·99	
(ix) Assisted companies	328·60	
(x) Lines owned by native states and worked by companies	188·80	
(xi) Lines owned and worked by native states	920·86	
(xii) Foreign lines	73·25	
		9,033·36
Special gauges—		
(xiii) State lines worked by the State	36·25	
(xiv) Assisted companies	171·97	
(xv) Lines owned by native states and worked by companies	102·83	
(xvi) Lines owned by native states and worked by State railway agency	36·92	
(xvii) Lines owned and worked by native states	133·13	
		481·10
TOTAL ...		†22,650·96

		Miles.	Miles.
(i)	East Indian	1,710·70	4,190·02
	Bengal Central (*a*)	125·01	
	Bengal-Nágpur	1,185·51	
	Indian Midland	795·43	
	Bhopal-Itársi (*British section*)	(*b*) 13·11	
	Godhra-Ratlam-Nágdá	(*c*) 140·91	
	Wardha Coal	(*d*) 44·88	
	Dhond-Manmád	(*d*) 145·44	
	Bezwada extension (East Coast State)	(*e*) 20·58	
	Madras-Ennúr section (Bezwada-Madras)	(*f*) 8·45	
(ii)	North Western	(*g*) 2,866·02	4,954·77
	Hyderabad-Shadipalli	(*h*) 58·91	
	Oudh and Rohilkhand	951·06	
	Eastern Bengal	275·88	
	Calcutta Port Commissioners'	8·53	
	East Coast, including Bezwada-Madras	(*i*) 794·37*	
(iii)	Great Indian Peninsula	1,288·00	2,592·47
	Bombay, Baroda and Central India	460·90	
	Madras	843·57*	
(iv)	Delhi-Umballa-Kalka	(*j*) 162·23*	642·51
	Tarkessur	(*j*) 22·23	
	Southern Punjab (*Delhi-Samásata*)	(*h*) 422·80	
	Tápti Valley	(*c*) 35·25	
(v)	Khámgaon	(*d*) 7·55	632·87
	Amráoti	(*d*) 5·44	
	Bina-Goona	(*b*) 71·74	
	Bhopal-Ujjain	(*b*) 113·53*	
	Bhopal-Itársi (*Native State section*)	(*b*) 44·28	
	The Nizam's Guaranteed State	(*k*) 332·32	
	Nágdá-Ujjain	(*c*) 34·67	
	The Gaekwar's Petlád	(*c*) 13·35	
	Kolar Gold-fields	(*f*) 10·00	
(vi)	Rájpura-Bhátinda	(*h*) 107·94	123·86
	Jammu and Kashmir (*Native State section*)	(*h*) 15·92	
(vii)	Bengal and North-Western—		6,877·86
	Tirhoot section	341·80	
	Company's section (*l*)	745·49*	
	Lucknow-Bareilly section (Rohilkund and Kumaon)	231·17	
	Rajputana-Malwa	(*c*) 1,673·94*	
	Pálanpur-Deesa	(*c*) 17·28	
	Southern Mahratta	1,042·04	
	Guntakal-Mysore frontier	(*m*) 119·50	
	Mysore section (Southern Mahratta)	296·00	
	South Indian	1,021·95*	
	Máyavaram-Mutupet	(*n*) 53·99	
	Assam-Bengal	398·25	
	Burma	936·45	
(viii)	Eastern Bengal—		643·99
	Northern and Behar sections (*including the Kaunia-Dharlla, 2' 6" gauge, branch*)	478·47	
	Dacca section	85·92	
	Cawnpore-Burhwal (*Metre-gauge link*)	(*t*) 79·60	
(ix)	Deoghur	4·79	328·60
	Rohilkund and Kumaon (*Company's section*)	53·92	
	Bengal Dooars	36·40	
	Dibru-Sadiya	77·50	
	Ledo and Tikak-Margherita Colliery	(*o*) 10·00	
	Ahmedabad-Parántij	(*c*) 54·59	
	Brahmaputra-Sultanpur	(*s*) 23·50	
	Mymensingh-Jamalpur-Jagannathganj	(*u*) 33·00	
	Segowlie-Raksaul	(*u*) 18·00	
	Nilgiri	(*f*) 16·90	
(x)	The Gaekwar's Mehsána	(*c*) 92·63	188·80
	Kolhápur	(*m*) 29·07	
	Yesvantpur-Mysore frontier	(*m*) 51·35	
	Mysore-Nanjangúd	(*m*) 15·75	
(xi)	Jodhpore-Bickaneer	405·67	920·86
	Oodeypore-Chitor	60·39	
	Bhávnagar-Gondal-Junágad-Porbandar	(*p*) 333·46	
	Jetalsar-Rájkot	(*q*) 46·23	
	Jámnagar	(*q*) 54·28	
	Dhrángadrá	(*q*) 20·83	
(xii)	West of India Portuguese	51·00	73·25
	Pondicherry	(*n*) 7·80	
	Káraikkal-Peralam	(*u*) 14·45	
(xiii)	Cherra-Companyganj (2' 6")	(*r*) 8·00	36·25
	Jorhát (2' 0")	28·25	
(xiv)	Darjeeling-Himalayan (2' 0")	51·00	171·97
	Bársi Light (2' 6")	21·75	
	Tárakeshwar-Magra (2' 6")	31·12	
	Tezpur-Balipara (2' 6")	20·10	
	Howrah-Amta (2' 0")	28·75	
	Howrah-Sheakhalla (2' 0")	19·25	
(xv)	The Gaekwar's Dabhoi (2' 6")	(*c*) 78·80	102·83
	Rajpipla (2' 6")	(*e*) 24·03	
(xvi)	Cooch Behar (2' 6")	(*s*) 36·92	
(xvii)	Morvi (2' 6")	94·36	133·13
	Gwalior-Sipri (2' 0")	38·77	

(*a*) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.
(*b*) Worked by the Indian Midland Railway Company.
(*c*) Worked by the Bombay, Baroda and Central India Railway Company.
(*d*) Worked by the Great Indian Peninsula Railway Company.
(*e*) Although forming an integral part of the East Coast State railway, this line is shown separately as it is worked by the Nizam's Guaranteed State Railways Company.
(*f*) Worked by the Madras Railway Company.
(*g*) Including 6·12 miles of military line not used for public traffic, the Mushkaf-Bolán railway and the Kotri-Rohri chord line.
(*h*) Worked by the North Western State railway.
(*i*) Excluding the Bezwada extension, *vide* foot-note (*e*).
(*j*) Worked by the East Indian Railway Company.
(*k*) Including 2·19 miles, Trimulgherry troop siding, constructed but not used for ordinary public traffic.
(*l*) Although for convenience classed amongst State railways, this line is the property of the Bengal and North-Western Railway Company.
(*m*) Worked by the Southern Mahratta Railway Company.
(*n*) Worked by the South Indian Railway Company.
(*o*) Worked by the Assam Railways and Trading Company.
(*p*) Including 4·60 miles of Bhávnagar Dock estates and Junágad quarry line
(*q*) Worked by the Bhávnagar-Gondal-Junágad-Porbandar railway.
(*r*) Treated as a steam tramway for administrative purposes only. Temporari closed to traffic from 1st May 1898 on account of damages done by flood Reopened for goods traffic on 23rd December 1898.
(*s*) Worked by the Eastern Bengal State railway.
(*t*) Excluding 3·66 miles of the Lucknow-Bareilly railway between Daliganj ar Aishbagh.
(*u*) Worked by the Bengal and North-Western Railway Company.

* Correction of mileage.
† Made up as follows :—

Open at the commencement of 1898-99	21,198·08
Add—Opened during 1898-99	1,451·60
	22,649·68
Deduct—Decrease due to minor correction of mileage	3·32
	22,646·36
Add—Tanjore-Pulliarpatti quarry extension of the South Indian railway, previously omitted	4·60
	22,650·96

		Miles.	Miles.	Miles.
(i)	East Indian—			
	Moghal Sarai to Gya			126·26
	Shikohabad to Farukhabad			(a)66·00
	Bárán to Daltonganj, including colliery branch			(a)82·50
	Agra-Delhi chord—			439·29
	Agra to Delhi			(a)121·16
	Bengal-Nágpur—			
	Kolaghat to Howrah			35·37
	Khargpur to Midnapore			(c)8·00
(ii)	North Western—			
	Campbellpore Cantonment to Basal (New Pind-Sultáni)	(b)86·75	148·05	
	Langar to Mári			
	Toba Tek Singh to Khanewal	56·00		239·60
	Kotri to Hyderabad (Sind)	5·30		
	Oudh and Rohilkhand—			
	Gháziabad to Moradabad		87·00	
	East Coast—			
	Gódávari bridge at Rajamundry and approaches		4·55	
(iii)	Great Indian Peninsula—			
	Amalner to Jalgaon	34·05		
	Chalisgaon to Dhulia	(b)36·00		135·05
	Madras—			
	Calicut to Cannanore		(b)65·00	
(iv)	Southern Punjab (Delhi-Samásata)—			
	Delhi Brewery to Delhi		0·79	
	South Behar (Luckeeserai-Gya)—			
	Luckeeserai to Gya		79·00	233·14
	Hardwar-Dehra—			
	Hardwar to Dehra		32·01	
	Tápti Valley—			
	Vyara to Amalner		121·34	
(v)	Bina-Goona—			
	Goona to Bara			(b)74·12
(vi)	Ludhiána-Dhuri-Jakhal—			
	Ludhiána *vid* Dhuri to Jakhal			(a)80·32
(vii)	Bengal and North-Western—			
	Tirhoot section—			
	Hajeepore to Begamserai	44·25	161·00	
	Garhara to Katihár	116·75		
	Company's section—			
	Ganges-Gogra Doab lines—			
	Azamgarh to Shahganj		33·00	
	South Indian—			
	Negapatam to Nagore			(c)4·67
	Assam-Bengal—			
	Badarpur to Lumding	113·14		
	Lanka to Lakwar	171·54	(b)337·06	927·93
	Lakwar to Makum	52·38		
	Burma—			
	Sèdaw to the right bank of the Salween river	(b)260·00		
	Meiktila to Myingyan	57·70	392·20	
	Sagaing to Alón with a river siding to Myimma	74·50		
(viii)	Eastern Bengal—			
	Teesta bridge at Kaunia and approaches		4·87	76·13
	Hyderabad (Sind)-Jodhpore frontier—			
	Hyderabad to Jodhpore frontier		(d)71·26	
(ix)	Bengal Dooars—			
	Malbazar to Hantupara	46·00	121·76	
	Dam Dim to Bagrakote	6·76		
	Deomoni Hat to Lalmonir Hat	69·00		
	Brahmaputra-Sultanpur—			178·77
	Bogra to Kaliganj		36·20	
	Mymensingh-Jamalpur-Jagannathganj—			
	Singhjani to Jagannathganj		20·81	
(x)	Birur-Shimoga—			
	Birur to Shimoga		37·98	427·79
	Hyderabad-Gódávari Valley—			
	Secunderabad to Manmád		389·81	
(xi)	Jodhpore-Bickaneer—			
	Jodhpore section—			
	Balotra to the Jodhpore frontier	134·81		
	Bickaneer section—			
	Khari to Lankaransar	8·90	216·21	
	Lankaransar to Surátgarh	(e)63·00		
	Gigasar to Palana	9·50		295·43
	Oodeypore-Chitor—			
	Debari to Oodeypore		6·44	
	Jeypore-Sewai-Madhopur—			
	Sánganer to Sawai-Madhopur		72·78	
(xii)	Raipur-Dhamtari branch (Bengal-Nágpur) (2′ 0″)—			
	Raipur to Dhamtari		45·00	56·67
	Abhanpur to Rajim		11·67	
(xiii)	Eastern Bengal—			
	Cooch Behar-Santrabari extension (*British section*) (2′ 6″)—			
	Alipore to Jhainti			20·08
(xiv)	Ránaghat-Krishnagar (2′ 6″)		20·20	
	Bársi Light (2′ 6″)—			121·20
	Bársi Road to Pandharpur		(a)33·00	
	Kalka-Simla (2′ 0″)—			
	Kalka to Simla		(a)68·00	
(xv)	Rajpipla (2′ 6″)—			
	Umalla to Mandod		12·80	43·80
	Rewah (2′ 6″)—			
	Rewah to Sutna		(a)31·00	
(xvi)	Gwalior-Sipri (2′ 0″)—			
	Mohana to Sipri		35·04	80·83
	Gwalior-Chambalghat—			
	Gwalior to Bhind		(c)45·79	

5. And the mileage under construction or sanctioned for construction on the 31st March 1899 will be 3,430·15 miles, made up as follows:

		Miles.	Miles.
Standard gauge—			
(i)	State lines worked by companies	439·29	
(ii)	State lines worked by the State	239·60	
(iii)	Guaranteed companies	135·05	
(iv)	Assisted companies	233·14	
(v)	Lines owned by native states and worked by companies	74·12	
(vi)	Lines owned by native states and worked by State railway agency	80·32	
			1,201·52
Metre gauge—			
(vii)	State lines worked by companies	927·93	
(viii)	State lines worked by the State	76·13	
(ix)	Assisted companies	178·77	
(x)	Lines owned by native states and worked by companies	427·79	
(xi)	Lines owned and worked by native states	295·43	
			1,906·05
Special gauges—			
(xii)	State lines worked by companies	56·67	
(xiii)	State lines worked by the State	20·08	
(xiv)	Assisted companies	121·20	
(xv)	Lines owned by native states and worked by companies	43·80	
(xvi)	Lines owned and worked by native states	80·83	
			322·58
	TOTAL		3,430·15

Making a grand total of railways completed and in hand at the commencement of 1899-1900 of miles **26,081·11***

And showing, after allowing for corrections of mileage, an advance on the previous year of miles **586·09**

(a) Commencement of work not yet authorized.
(b) Correction of mileage.
(c) Provisionally sanctioned.
(d) Excluding 55·08 miles of the Hyderabad-Shadipalli standard gauge railway to be converted to the metre gauge.
(e) Excluding 6·54 miles of existing light railway.

* Made up as follows:—

		Miles.
Completed and in hand at the beginning of 1898-99		25,493·74
Sanctioned during 1898-99		540·62
		26,034·36
Deduct—		
Decrease due to realignment of the Assam-Bengal Railway	6·89	
Net decrease due to minor correction of mileage	4·66	11·55
		26,022·81
Add—		
Gogra bridge and approaches at Bahramghat, previously omitted	3·27	
Increase due to new alignment of the Mari-Attock Railway	6·75	
Increase due to new alignment of the Calicut-Cannanore Railway	6·00	58·30
Increase due to new alignment of the Mandalay-Kunlon Railway	42·28	55·03
		26,081·11

6. It is expected that the following lengths of unfinished line will be opened for public traffic in 1899-1900 :

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies	169·63	
(ii) State lines worked by the State	142·75	
(iii) Guaranteed companies	36·00	
(iv) Assisted companies	233·14	
(v) Lines owned by native states and worked by companies	74·12	
		655·64
Metre gauge—		
(vi) State lines worked by companies	171·67	
(vii) Assisted companies	57·01	
(viii) Lines owned by native states and worked by companies	347·98	
(ix) Lines owned and worked by native states	147·87	
		724·53
Special gauges—		
(x) State lines worked by companies	56·67	
(xi) State lines worked by the State	20·08	
(xii) Assisted companies	20·20	
(xiii) Lines owned by native states and worked by companies	12·80	
(xiv) Lines owned and worked by native states	80·83	
		190·58
TOTAL		1,570·75

Leaving the undermentioned lines for completion in 1900-1901 or later :

	Miles.	Miles.
Standard gauge—		
(xv) State lines worked by companies	269·66	
(xvi) State lines worked by the State	96·85	
(xvii) Guaranteed companies	99·05	
(xviii) Lines owned by native states and worked by State railway agency	80·32	
		545·88
Metre gauge—		
(xix) State lines worked by companies	756·26	
(xx) State lines worked by the State	76·13	
(xxi) Assisted companies	121·76	
(xxii) Lines owned by native states and worked by companies	79·81	
(xxiii) Lines owned and worked by native states	147·56	
		1,181·52
Special gauges—		
(xxiv) Assisted companies	101·00	
(xxv) Lines owned by native states and worked by companies	31·00	
		132·00
TOTAL		1,859·40

		Miles.	Miles.	Miles.
(i)	East Indian— Moghal Sarai to Gya		126·26	169·63
	Bengal-Nágpur— Kolaghat to Howrah	35·37	43·37	
	Khargpur to Midnapore	(a) 8·00		
(ii)	North Western— Cambellpore Cantonment to Basal (New Pind Sultáni)		83·75	142·75
	Langar to Mári		56·00	
	Toba Tek Singh to Khanewal			
(iii)	Great Indian Peninsula— Chalisgaon to Dhulia			36·00
(iv)	Southern Punjab (Delhi Samásata)— Delhi Brewery to Delhi		0·70	233·14
	South Behar (Luckeeserai-Gya)— Luckeeserai to Gya		79·00	
	Hardwar-Dehra— Hardwar to Dehra		32·01	
	Tapti Valley— Vyara to Amalner		121 34	
(v)	Bina-Goona— Goona to Bara			74 12
(vi)	Bengal and North-Western— Tirhoot section— Hajeepore to Begamsarai	44·25	89·00	171·67
	Garhara to Moheshkunt	44·75		
	South Indian— Negapatam to Nagore		(a) 4·70	
	Assam-Bengal— Lumding to Makum		18·00	
	Burma— Sódaw to Nammaw		60·00	
(vii)	Brahmaputra-Sultanpur— Bogra to Kaliganj		36·20	57·01
	Mymensingh-Jamalpur-Jagannathganj— Singhjani to Jagannathganj		20·81	
(viii)	Birur-Shimoga— Birur to Shimoga		37·93	347·93
	Hyderabad-Gódavari Valley— Manmád to Runjanee	130·00	310·00	
	Secunderabad to Limbgaon	180·00		
(ix)	Oodeypore-Chitor— Debari to Oodeypore		6·44	147·87
	Jodhpore-Bickaneer— Jodhpore section— Balotra to Barmer	59·75	68 65	
	Bickaneer section— Khari to Lankaransar	8·90		
	Jeypore-Sewai-Madhopur— Sánganer to Sewai-Madhopur		72·78	
(x)	Raipur-Dhamtari branch (Bengal-Nágpur railway) (2′ 0″)— Raipur to Dhamtari		45·00	56·67
	Abhanpur to Rajim		11·67	
(xi)	Eastern Bengal,—Cooch Behar-Santrabari Extension (*British section*) (2′ 6″)— Alipur to Jhaioti			20·08
(xii)	Ránaghat-Krishnanagar (2′ 6″)			20·20
(xiii)	Rajpipla (2′ 6″)— Umalla to Nandod			12·80
(xiv)	Gwalior-Sipri (2′ 0″)— Mohana to Sipri		35 01	80·83
	Gwalior-Chambalghat (2′ 0″)— Gwalior to Bhind		45·79	
(xv)	East Indian— Shikohabad to Farukhabad		(b) 66·00	269·66
	Bárán to Dáltonganj, including colliery branch		(b) 82·50	
	Agra-Delhi chord— Agra to Delhi		(b) 121·16	
(xvi)	North Western— Kotri to Hyderabad		5·30	96·85
	Oudh and Rohilkhand— Ghaziabad to Moradabad		87·00	
	East Coast— Gódávari bridge at Rajahmundry and approaches		4·55	
(xvii)	Great Indian Peninsula— Amalner to Jalgaon		31·05	99·05
	Madras— Calicut to Cannanore		65·00	
(xviii)	Ludhiána-Dhuri-Jakhal— Ludhiána *vid* Dhuri to Jakhal			(b) 80·32
(xix)	Bengal and North-Western— Tirhoot section— Moheshkunt to Katihár		72·00	756·26
	Company's section— Azamgarh to Shahganj		33·00	
	Assam-Bengal— Badarpur to Lumding	113·14	319·06	
	Lumding to Makum	205·92		
	Burma— Nammaw to the right bank of the Salween river	200·00	332·20	
	Meiktila to Myingyan	57·70		
	Sagaing to Alón with a river siding to Myimma	74·50		
(xx)	Hyderabad (Sind)-Jodhpore frontier— Hyderabad to Jodhpore frontier		71·26	76·13
	Eastern Bengal— Teesta bridge at Kaunia and approaches		4·87	
(xxi)	Bengal Doars— Malbazar to Hantupara		46·00	121·76
	Dam Dim to Bagrakote		6·76	
	Deomoni Hat to Lalmonir Hat		69·00	
(xxii)	Hyderabad-Gódávari Valley— Runjanee to Limbgaon			79·81
(xxiii)	Jodhpore-Bikaneer— Jodhpore section— Barmer to Jodhpore frontier		75·06	
	Bikaneer section— Lankaransar to Suratgarh		(a) 6	
	Gigasar to Palana			
(xxiv)	Bársi Light (2′ 6″)— Bársi Road to Pandharpur			
	Kalka-Simla (2′ 0″)— Kalka to Simla			
(xxv)	Rewah (2′ 6″)— Rewah to Sutna			

(a) Provisionally sanctioned.
(b) Commencement of work not yet authorized.

APPENDIX IV.

Commercial and Financial Statistics.

APPENDIX IV.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1890-91.	1891-92.	1892-93.
Recorded Revenue compared with the recorded expenditure, excluding Capital Expenditure on Public Works not charged against Revenue—			
Surplus	Rx. 3,688,171	467,535	...
Deficit	Rx. ...	...	833.412
Capital Expenditure on Public Works not charged against Revenue*	Rx. 3,365,632	3,500,000	3,986,290
Ditto charge involved in Redemption of Liabilities	£ 4,692,557	...	...
Net Public Debt incurred	6,293,714	3,038,293	—376,405
Net Public Debt incurred, including Capital transactions with Guaranteed Railways and other Companies	3,639,498*	1,891,901	315,875*
Value of commodities exported, excluding Gold and Silver	Rx. 100,227,000	108,173,000	106,595,000
Ditto imported, ditto ditto	Rx. 71,975,000	69,432,000	66,265,000
Excess of Exports over Imports, excluding Gold and Silver	Rx. 28,252,000	38,741,000	40,330,000
Net Imports of Gold	Rx. 5,636,000	2,414,000	—2,813,000
Ditto of Silver	Rx. 14,175,000	9,022,000	12,864,000
TOTAL NET IMPORTS OF GOLD AND SILVER	Rx. 19,811,000	11,436,000	10,051,000
Excess of Exports over Imports, including Gold and Silver	Rx. 8,441,000	27,305,000	30.279,000
Grand Total value of Imports and Exports of all kinds	Rx. 196.260,000	195,615,000	196.829,000
Secretary of State's Bill Sold (Rupees)	R 21,18.69.300	23,08.28.115	26 47.84,151
Sterling Equivalent received	£ 15.969,034	16,093,854	16.532,215
Silver coined at the Indian Mints	Rx. 15,193,473	5,553,970	12.611,528
Maximum price in pence of an oz. troy. standard Silver in London	54⅝ (Sept.)	46⅜ (July)	41⅛ (June)
Minimum ditto ditto	43⅞ (April)	39 (Mar.)	37⅝ (Mar.)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 6·089d.	1s. 4·733d.	1s. 2·985d.
Fixed rate of Exchange for the Adjustment of Transactions between the Indian and Imperial Treasuries	1s. 5d.	1s. 6⅛d.	1s. 4⅛d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	12 (April)	5 (Jan.—Mar.)	6 (Jan.)
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (Aug. to Feb.)	2 (Aug. & Sept.)	3 (May to Dec.)
Maximum rate of discount at the Bank of England	6 (Nov.)	5 (May & June)	3 (Apl., Oct., Nov., Dec. & Jan.)
Minimum ditto ditto	3 (Apl., May, June, Feb. & Mar.)	2½ (July, Aug. & Sept.)	2 (May to Oct.)
Maximum Government balances at the three Presidency Banks	Rx. 4,083,800 (June)	4,743,700 (June)	4,123,600 (May)
Minimum ditto ditto	Rx. 2,937,300 (Oct.)	2,871,600 (Oct.)	2,751,900 (Nov.)
Maximum price in Calcutta of Government 4 per cent Rupee Securities	106—6 (Jan.)	108—4 (June)	109—2 (May)
Minimum ditto ditto	99—7 (Apl.)	104—10 (Feb.)	103—7 (Sept.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	...	...	...
Minimum ditto ditto	...	...	...
Maximum price in Calcutta of 3 per cent Rupee Securities	...	...	...
Minimum ditto ditto	...	...	...
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts	Rx. 26,724,500 (Mar.)	27,921,500 (Feb.)	27,256,600 (Apl.)
Minimum ditto ditto	Rx. 21,498,900 (Apl.)	26,531,900 (Aug.)	25,927,100 (Mar.)
Maximum price in London of 4 per cent (Rupee) Securities in Gold	90¼ (Aug.)	78⅞ (July)	70⅝ (June)
Minimum ditto ditto	70¼ (Apl.)	66⅜ (Mar.)	62 9/16 (Aug.)
Maximum price in London of 3½ per cent (Rupee) Securities in Gold	...	...	...
Minimum ditto ditto	...	...	...
Maximum price in London of India 3½ per cent Stock	110 (Feb.)	108¾ (Apl.)	110 (Mar.)
Minimum ditto ditto	104¾ (Nov.)	103½ (June)	105 (Aug.)
Maximum price in London of India 3 per cent Stock	100⅜ (Apl.)	97¾ (Apl.)	100¼ (Mar.)
Minimum ditto ditto	94¾ (Nov.)	93 (June)	95 (Aug.)
Maximum price in London of India 2½ per cent Stock	...	...	...
Minimum ditto ditto	...	...	...
Maximum Government Paper Currency outstanding	Rx. 27,660,300 (Jan.)	27,040,700 (July)	29,065
Minimum ditto ditto	Rx. 17,419,600 (Apl.)	22,624,200 (Jan.)	2
Number of Savings Banks	6,642	6,642	
Number of depositors in Savings Bank	475.329	528,752	
Amount deposited in Savings Bank	Rx. 8,062.241	8,886,372	
Average of each deposit	Rx. 17	17	
Net addition to deposits	Rx. 530,373	824,1	

* Excludes Capit

† I. alculat in

APPENDIX IV—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised Estimate.	1899-1900, Budget.
...	693,110	1,533,998	...	...	4,059,400	3,932,600
1,546,998	...	...	1,705,022	5,359,211	...	...
3,621,252	4,446,231	4,087,194	4,984,422	4,328,541	3,570,300	4,315,000
...	...	...	...	...	...	...
4,043,311	4,822,662	—586,412	5,407,235	6,077,779	2,867,600	—190,000
3,331,845	4,172,650	—772,349	6,102,527	4,670,942	1,396,700	—1,447,000
106,503,000	108,914,000	114,335,000	103,984,000	97,633,000	...	...
77,021,000	73,529,000	72,937,000	76,104,000	73,660,000	...	...
29,482,000	35,385,000	41,398,000	27,880,000	23,973,000	...	...
641,000	—4,974,000	2,526,000	2,291,000	4,909,000	...	...
13,720,000	6,329,000	6,582,000	5,856,000	8,473,000	...	...
14,361,000	1,355,000	9,108,000	8,147,000	13,382,000	...	...
15.121,000	34,030,000	32,290,000	19,733,000	10,591,000	...	...
206,086,000	200,250,000	204,899,000	198,110,000	198,972,000	...	...
15,72,36.031	30,96,98,798	31.08,54,373	25,78,70,106	14,81,28,010	28,500,000	25,90[illegible].700
9,530,235	16,905.102	17,664,492	15,526.547	9,506,077	19,000,000	17,000,000
4,902.499	94,594	292,713	568,665	985,691	...	...
38¾ (June)	30½ (Aug.)	31⅝ (Feb.)	31⅝ (June)	28½ (Apl.)	28 5/16 (Sept)	...
27 (Mar.)	27 5/16 (Dec. & Jan.)	29⅞ (Apl.)	28 1/16 (Mar)	23⅝ (Aug.)	25 1/16 (Apl.)	...
1s. 2·547d.	1s. 1·1005d.	1s. 1·6381d.	1s. 2·4505d.	† 1s. 3·3539d.	1s. 4d.	1s. 3·75d.
1s. 2¾d.	1s. 3¼d. 1st quarter. For the remaining quarters, 1s. 1¼d.	1s. 1¼d.	1s. 1½d.	1s. 2½d.	1s. 3¼d.	1s. 4d.
10 (Feb.)	9 (Apl.)	7 (Feb.)	10 (Dec. 23 to Mar. 31.)	12 (Feb. 24 to Mar. 31.)	12 (1 to 27 Apl.)	...
4 (June 29 to Nov. 15 & Nov. 30 to Jan. 10.)	3 (Sept. 6th to Jan. 16th.)	3 (July 25 to Nov. 13.)	3 (July 2 to Sept. 2).	5 (July 15 to Sept. 8 & 25 Nov. to 15 Dec.)	4 (July 28 to Sept. 7)	...
5 (Aug. & Sept.)	2	2	4	3 (Oct. to Mar.)	4 (Apl. & Oct. to Jan.)	...
2 (Feb. & Mar.)	2	2	2	2 (May to Sept.)	2½ (July to Sept.)	...
3,685,400 (June)	4,292,000 (Jan.)	4,161,900 (May)	3,914,200 (Aug.)	3,279,600 (Mar.)	3.482,300 (Aug.)	...
3,016,400 (Nov.)	3,165,700 (Nov.)	3,001,500 (Nov.)	2,021,900 (Nov.)	2,025,300 (Sept.)	2,767,400 (Nov.)	...
108—12 (June)	105—2 (June)	...	...	...	...	...
99—4 (Feb.)	102—3 (May)	...	...	...	...	...
...	105—7 (Mar.)	109—8 (Oct.)	110—15 (May)	104—1 (May 21)	101—11 (Feb. 22)	...
...	102—9 (Jan.)	104—15 (Jan.)	98—11 (Feb.)	94—4 (Jan. 7)	92—10 (Apl. 22)	...
...	...	...	105 (Aug.)	97—4 (May & June).	95—0 (Mar. 8)	...
...	...	...	97 (Jan. to Mar.)	90—0 (Jan. to Mar.)	86 (Nov. 16 to Jan. 17.)	...
25,978,300 (July)	23,634,600 (Apl.)	25,354,300 (Nov.)	26,647,200 (Nov.)	23,478,000 (Apl.)	...	...
24,127,500 (Mar.)	13,732,900 (Dec.)	24,050,200 (Apl.)	23,925,700 (Mar.)	21,390,500 (Mar.)	...	...
71 (June)	59⅞ (Aug.)	...	...	...	...	...
56⅞ (Feb.)	53 3/16 (May)	...	...	...	...	...
...	58⅛ (Mar.)	65 15/16 (Feb.)	65 1/16 (Aug.)	64½ (Jan.)	67 7/16 (Mar.)	...
...	53 3/16 (Jan.)	57½ (Apl. and May)	60 (Oct.)	60 7/16 (Dec.)	61⅓ (Oct. & Nov.)	...
110⅛ (Apl.)	116 (Feb.)	120⅜ (Feb.)	122⅛ (Apl.)	119⅛ (Aug.)	117⅜ (Jan.)	...
106¾ (Sept.)	108¼ (June)	114¼ (Apl.)	114½ (Sept.)	114¼ (Mar.)	111 (Oct.)	...
100¼ (Apl.)	105 (Jan.)	111⅛ (Feb.)	115¾ (May)	112½ (May)	109 (May)	...
97 (Sept.)	98¾ (June)	103¾ (May)	106 (Oct.)	105 (Mar.)	103½ (Oct.)	...
[illegible]	...	...	103 (June)	99¼ (Apl.)	93¾ (June)	...
[illegible]	...	...	95¾ (Sept.)	92 (Mar.)	84⅝ (Oct.)	...
[illegible]	32,355,400 (Nov.)	32,428,600 (July)	29,589,900 (July)	24,764,000 (Mar.)	26,958,100 (Mar.)	...
[illegible]	29,500,000 (Jan.)	25,940,700 (Mar.)	23,578,500 (Feb.)	22,861,600 (May)	23,131,200 (May)	...
[illegible]	6,564	6,520	6,596	6,484	...	...
[illegible]	683,209	716,554	742,215	755,426	...	...
[illegible]	5,017	11,121,252	10,886,792	10,556,734	...	...
[illegible]	15	15	15	14	...	...
[illegible]	76	586,235	—234,460	—330,059	...	...

afts is taken into account.

APPENDIX IV—*continued.*

TABLE II.—Statement showing the true financial results to the Revenues of India of the guarantee of interest upon the Capital of Guaranteed Railway Companies.

	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at end of official year	2,587	2,587	2,587	2,588	2,588	2,592	2,628
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross traffic receipts	6,461,042	6,124,166	6,255,131	5,685,180	5,414,596	6,355,000	6,465,000
Working expenses	3,077,230	3,073,855	2,979,893	3,051,016	3,213,204	3,360,000	3,272,500
Percentage of working expenses on receipts	47·63	50·19	47·64	53·67	59·34	52·87	50·62
Net traffic receipts	3,383,812	3,050,311	3,275,238	2,634,164	2,201,392	2,995,000	3,192,500
Net gain by the remittance to England of Capital receipts and disbursements in India at the contract rates of exchange instead of at the average yearly rates obtained for the Secretary of State's bills	...	...	...	...	...	...	...
Total Revenue	3,383,812	3,050,311	3,275,238	2,634,164	2,201,392	2,995,000	3,192,500
Gross guaranteed interest paid in India	2,495	6,352	2,822	8,225	8,899	10,900	8,200
Ditto in London £	2,154,720	2,154,714	2,161,563	2,160,967	2,154,784	2,162,500	2,185,300
Total guaranteed interest (sterling payments converted at the average exchange of the year)	3,557,493	3,953,754	3,806,675	3,597,232	3,377,084	3,254,600	3,338,200
Surplus paid to Railway Companies	571,255	600,695	501,507	447,302	110,302	374,200	467,000
Land and Supervision	34,003	31,541	28,808	28,083	15,911	41,700	96,500
Net loss on receipts and disbursements of Capital in India calculated in the same way as the gain	133,548	74,262	87,265	83,148	110,462	118,500	91,000
Total Expenditure	4,296,299	4,660,252	4,424,255	4,155,765	3,613,759	3,789,600	3,992,700
Net Expenditure from the Public Treasury	912,487	1,609,941	1,149,017	1,521,601	1,412,367	794,600	800,2
Net Revenue	...	...	...	...	...		

APPENDIX IV—*continued.*

TABLE III.—Actual Capital expenditure on State Railways in 1897-98, and estimated expenditure on such works in 1898-99 and 1899-1900, and to end of 1899-1900.

Railways.	To end of 1896-97.	Accounts, 1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.	To end of 1899-1900.	Sanctioned outlay.	Balance remaining unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
ast Indian	17,181,971	1,289,419	1,450,000	1,500,000	21,421,390	21,421,390	...
ajputana-Malwa System	15,043,146	—95,510	1,600	90,000	15,039,236	15,039,236	...
alanpur-Deesa	23,325	2	...	...	23,327	23,327	...
hopal	234,589	2,124	5,400	10,000	252,113	252,113	...
Vardha Coal	499,633	...	...	...	499,633	499,633	...
Varora Colliery	193,266	—7,603	—6,300	—2,100	177,263	177,263	...
Umaria Colliery	116,593	2,533	—7,100	—100,000	12,026	12,026	...
urma	7,867,504	—175,714	...	...	7,691,790	7,691,790	...
orhat	89,563	702	4,500	1,400	96,165	96,165	...
herra-Companyganj	77,377	—465	...	...	76,912	76,912	...
astern Bengal	9,265,019	399,423	150,500	327,500	10,142,442	10,142,442	...
irhoot	2,586,709	25,558	157,000	40,000	2,809,267	2,809,267	...
udh and Rohilkhand	11,829,379	55,115	95,700	92,900	12,073,094	12,073,094	...
ucknow-Bareilly	512,114	...	...	...	512,114	512,114	...
orth Western	40,213,713	—65,896	228,300	284,700	40,660,817	40,660,817	...
untakal-Mysore frontier	590,130	132	—400	...	589,862	589,862	...
outh Indian	7,357,054	—30,126	—200,000	50,000	7,176,928	7,176,928	...
hond and Manmad	1,138,955	1,776	5,500	16,000	1,162,231	1,162,231	...
ayavaram-Mutupet	246,944	2,761	—300	2,200	251,605	251,605	...
yderabad-Shadipalli	182,986	794	...	...	183,780	183,780	...
etroleum Operations	11,919	...	...	...	11,919	11,919	...
rontier Railway Reserve Material	439,034	81	—2,800	...	436,315	436,315	...
eshawar Railway Reserve Material	36,776	...	...	...	36,776	36,776	...
ezwada-Madras (Ennore Section)	58,205	1,554	200	...	59,959	59,959	...
ast Coast(*a*)	5,773,612	59,901	60,000	40,000	5,933,513	5,933,513	...
TOTAL	121,569,516	1,466,561	1,941,200	2,352,600	127,330,477	127,330,477	...
LINES UNDER CONSTRUCTION.							
ooch Behar-Santrabari	300	7,722	30,300	12,500	50,822	50,900	78
rahmaputra-Sultanpur—(Rolling Stock)	...	...	36,600	8,800	45,400	45,400	...
ymensingh-Jamalpur—(Rolling Stock)	...	...	40,700	9,400	50,100	50,100	...
ssam-Bengal (Construction)	2,150,848	662,678	1,134,400	762,000	4,709,926	10,358,800	5,648,874
Ditto Chittagong Jetties	...	...	46,000	18,000	64,000	64,000	...
Ditto (Land)	310,067	21,585	22,000	20,000	373,652	505,000	131,348
ae Bareli-Benares	318,771	443,711	54,400	...	816,882	843,400	26,518
urdwar-Dehra—Rolling Stock	...	...	7,800	27,200	35,000	35,000	...
ndus Bridge	98,813	70,676	108,400	35,000	312,889	313,000	111
ari-Attock	1,131,942	245,435	142,500	25,000	1,544,877	1,611,500	666,23
owshera-Dargai	...	...	...	120,000	120,000	120,000	...
hatinda-Ferozepore(Conversion)	...	108,241	64,700	...	172,941	178,800	5,859
ezwada-Madras	949,895	696,916	669,200	30,000	2,346,011	2,346,400	389
hadipalli-Jodhpore Frontier	1,877	799	100,300	99,000	201,976	378,900	176,924
ajipur-Begum Serai-Katihar extension	157,568	446,868	250,000	200,000	1,054,436	1,223,100	168,664
yallpur-Khanewal	6,039	124,722	90,200	75,000	295,961	296,000	39
outhern Punjab—Rolling Stock	...	202,467	202,800	2,700	407,967	411,200	3,233
ajbari-Fareedpur	2,313	54,556	26,100	...	82,969	136,000	53,031
odavari Bridge	17,286	136,492	166,400	200,000	520,178	597,000	76,822
ungpur-Dhubri Extension and Teesta Bridge	...	10,847	46,100	211,500	268,447	620,700	352,253
r-Hoshiarpore	1,689	—138	—100	...	1,451	1,500	49
erozepore	2,254	577	...	...	2,831	2,900	69
d	3,164	3,029	...	...	6,193	907,600	901,407
bad	...	...	238,000	339,200	577,200	823,000	245,800
	...	...	...	100,000	100,000	459,000	359,000
	...	...	...	70,000	70,000	250,000	180,000
AL	5,152,826	3,237,183	3,476,800	2,365,300	14,232,109	22,629,200	8,397,091
	126,722,342	4,703,744	5,418,600	4,717,900	141,562,586	149,959,677	8,397,091

(*a*) *Includes Beswada Extension Railway.*

APPENDIX IV—*continued.*

TABLE III.—Actual Capital expenditure on State Railways in 1897-98, and estimated expenditure on such works in 1898-99 and 1899-1900, and to end of 1899-1900—*concluded.*

Railways.	To end of 1896-97.	Accounts, 1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.	To end of 1899-1900.	Sanctioned outlay.	Balance remaining unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought over .	126,722,342	4,703,744	5,418,600	4,717,900	141,562,586	149,959,677	8,397,091
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES, ETC.							
Ranaghat-Bhagwangola . .	30,244	...	...	...	30,244	30,244	...
Southern Mahratta (Depreciation on stores, etc.) . . .	52,707	...	...	...	52,707	52,707	...
Bellary-Kistna . . .	1,657,841	...	...	...	1,657,841	1,657,841	...
Bilaspur-Etawah . . .	7,514	...	...	...	7,514	7,514	...
Vizagapatam-Raipur . . .	24,504	...	...	...	24,504	24,504	...
Nagpur-Chhattisgarh Depreciation Account . . .	65,703	...	...	...	65,703	65,703	...
TOTAL .	1,838,513	...	...	...	1,838,513	1,838,513	...
Stores	125,598	—87,263	—13,000	—73,900	—48,565	—48,565	...
Add—Reserve . . .	...	...	—250,000	64,600	—185,400	—185,400	...
	128,686,453	4,616,481	5,155,600	4,708,600	143,167,134	151,564,225	8,397,091
Deduct—Amount provided for Capital outlay on East Indian Railway by the issue of Sterling Debentures . .	*1,707,399*	*980,684*	*1,573,800*	*750,000*	*5,011,883*	*5,011,883*	...
TOTAL .	126,979,054	3,635,797	3,581,800	3,958,600	138,155,251	146,552,342	8,397,091
Distributed as under—							
CAPITAL EXPENDITURE ON PUBLIC WORKS (not charged against Revenue)—							
State Railways—Construction	78,009,839	3,632,005	2,882,200	3,465,000	87,989,044		
Redemption of Liabilities .	33,553,451	...	...	...	33,553,451		
FAMINE RELIEF AND INSURANCE—							
Protective Railways . .	6,550,931	...	695,400	490,000	7,736,331		
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance)	6,506,039	3,792	4,200	3,600	6,517,631		
PRELIMINARY EXPENDITURE charged against Revenue and Exchange prior to 1884-85 .	2,358,794	...	...	...	2,358,79		
TOTAL AS ABOVE .	126,979,054	3,635,797	3,581,800	3,958,600	138,		

* Represents depreciation on works and stores allowed by Government on transfer

APPENDIX IV—*continued.*

TABLE IV.—Capital Expenditure on Irrigation—Major Works, in 1897-98, and estimated expenditure on such works in 1898-99 and 1899-1900, and to the end of 1899-1900.

IRRIGATION WORKS.	Actual outlay to end of 1896-97.	Accounts, 1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.	Total Actual and estimated outlay to end of 1899-1900.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.							
Orissa Canals	2,565,608	6,359	6,800	6,700	2,585,467	...	
Midnapore Canal	827,572	504	...	...	828,076	...	
Hijili Tidal Canal	255,142	30	...	...	255,172	...	
Sone Canals	2,598,096	—10,652	—3,300	2,800	2,586,944	...	
North-Western Provinces and Oudh.							
Ganges Canal	2,810,630	8,513	7,900	7,500	2,834,543	...	
Lower Ganges Canal	3,239,472	13,176	43,200	31,800	3,327,648	...	
Ditto Fatehpur Branch	130,386	91,637	63,600	42,600	328,223	342,000	13,777
Agra Canal	885,440	—308	2,100	3,700	890,932	...	
Eastern Jumna Canal	359,176	3,391	2,000	4,400	368,967	...	
Punjab.							
Western Jumna Canal (including Sirsa Branch)	1,501,945	42,697	48,600	45,000	1,638,242	...	
Bari Doab Canal	1,733,949	10,302	10,400	32,500	1,787,151	...	
Sirhind Canal (State outlay)	2,293,756	4,092	16,100	15,000	2,328,948	...	
Chenab Canal	1,995,172	220,383	151,500	80,000	2,447,055	...	
Jhelum Canal	10,566	9,220	36,200	210,000	265,986	1,202,400	936,414
Madras.							
Godavari Delta System	1,099,698	7,882	10,800	6,000	1,124,380	...	
Kistna Delta System	1,196,171	38,898	18,300	22,500	1,275,869	...	
Sangam Anicut System	313,254	1,840	2,100	4,900	322,094	...	
Periyar Project	813,002	16,283	14,200	7,400	850,885	...	
Bombay.							
Desert Canal	123,171	518	1,400	6,200	131,289	...	
Begari ,,	163,422	1,439	...	1,300	166,161	...	
Eastern Nara Works	601,930	4,568	6,200	6,200	618,898	...	
Jamrao Canal	245,098	131,128	142,200	133,900	652,326	696,700	44,374
Mutha Canals	636,389	205	3,200	1,700	641,494	...	
Other projects	3,351,991	103,041	125,600	194,500	3,775,132	...	
Deduct—Outlay incurred from Ordinary Revenues and exchange prior to 1884-85	29,751,036	705,146	709,100	866,600	32,031,882		
	6,029,718	12,715	16,900	16,600	6,075,933	...	
TOTAL	23,721,318	692,431	692,200	850,000	25,955,949	...	
FAMINE RELIEF AND INSURANCE.							
PROTECTIVE IRRIGATION WORKS.							
North-Western Provinces and Oudh.							
Betwa Canal	406,415	1,940	400	6,800	415,555	...	
Punjab.							
Swat River Canal	383,264	2,132	3,100	10,000	398,496	...	
Madras.							
Rushikulya Project	411,122	14,401	6,800	3,100	435,423	436,800	1,377
Bombay.							
	534,096	423	800	400	535,719	573,500	37,781
ojects	411,207	18,621	2,400	9,700	441,928	...	
urred from	2,146,104	37,517	13,500	30,000	2,227,121	...	
	285,433	...	...	...	285,433	...	
L	1,860,671	37,517	13,500	30,000	1,941,688	..	
	25,581,989	729,948	705,700	880,000	27,897,637	...	

APPENDIX IV—*continued.*

TABLE V.—Gross traffic receipts, working expenses, and net traffic receipts of Guaranteed and State Railways for five years ending 1897-98, with Revised Estimates for 1898-99 and Budget Estimates for 1899-1900.

	Accounts.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
GUARANTEED RAILWAYS.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	2,587	2,587	2,587	2,587	2,588	2,588	2,592
Gross Traffic Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Madras	1,049,883	1,054,139	1,117,841	1,099,808	1,139,730	1,025,000	1,090,000
Bombay, Baroda and Central India	1,518,105	1,630,225	1,785,916	1,521,541	1,401,789	1,640,000	1,650,000
Great Indian Peninsula . .	3,893,054	3,439,802	3,351,374	3,063,831	2,873,077	3,690,000	3,720,000
Ditto Extensions .	...	...	...	...	...	...	5,000
TOTAL .	6,461,042	6,124,166	6,255,131	5,685,180	5,414,596	6,355,000	6,465,000
Working Expenses.							
Madras	519,380	540,037	530,520	550,740	550,583	530,000	530,000
Bombay, Baroda and Central India	539,789	596,400	653,625	716,246	788,933	730,000	740,000
Great Indian Peninsula . .	2,018,061	1,937,418	1,795,748	1,784,030	1,873,688	2,100,000	2,000,000
Ditto Extensions .	...	...	...	...	...	...	2,500
TOTAL .	3,077,230	3,073,855	2,979,893	3,051,016	3,213,204	3,360,000	3,272,500
Net Traffic Receipts.							
Madras	530,503	514,102	587,321	549,068	589,147	495,000	560,000
Bombay, Baroda and Central India	978,316	1,033,825	1,132,291	805,295	612,856	910,000	910,000
Great Indian Peninsula . .	1,874,993	1,502,384	1,555,626	1,279,801	999,389	1,590,000	1,720,000
Ditto Extensions .	...	...	...	...	...	...	2,500
TOTAL .	3,383,812	3,050,311	3,275,238	2,634,164	2,201,392	2,995,000	3,192,500

APPENDIX IV—*continued.*

	Accounts.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
STATE RAILWAYS.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
(*a*) Open mileage at beginning of year	13,461	13,086	14,146	14,721	15,378	15,583	16,696
Gross Traffic Receipts.	*Rx*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	5,122,906	5,248,525	5,493,794	5,450,916	5,884,481	6,050,300	6,000,300
Rajputana-Malwa System	2,315,015	2,513,124	2,350,825	2,010,983	1,974,470	2,360,000	2,350,000
Bhopal	16,916	16,163	14,266	16,369	15,221	19,000	20,000
Palanpur-Deesa	1,458	3,861	3,754	5,186	3,969	4,000	4,500
Warora Colliery	56,147	51,955	54,597	52,065	55,226	60,000	60,000
Wardha Coal	21,086	22,024	19,355	20,608	19,886	20,800	20,000
Bengal-Nagpur	680,890	679,214	657,924	612,899	615,311	720,000	820,000
Umaria Colliery	37,214	42,023	39,620	39,133	38,506	48,300	...
Burma	619,009	595,544	655,301	739,281	} 869,276	} 865,000	900,000
Mu Valley	28,076	32,291	40,853	64,981			
Assam-Bengal	...	...	42,536	66,445	106,551	135,000	160,000
Dorhat	7,093	7,357	8,076	9,180	10,723	9,600	9,600
Cherra-Companyganj	2,298	2,488	2,565	2,698	571	700	3,500
Eastern Bengal	1,249,481	1,438,629	1,431,568	1,500,587	1,530,213	1,410,000	1,550,000
Bengal and North-Western and Tirhoot	524,159	567,284	567,201	565,006	625,039	670,000	740,000
Bengal Central	78,110	84,226	93,603	93,515	118,370	101,000	110,000
Oudh and Rohilkhand	898,055	1,105,338	974,518	818,621	882,106	1,005,000	1,020,000
Indian Midland	432,366	527,667	454,476	485,746	568,634	575,000	600,000
Lucknow-Bareilly	76,662	98,727	81,357	79,335	89,902	105,000	105,000
North Western	3,031,471	3,254,187	3,485,691	2,887,907	3,482,821	3,660,000	3,650,000
South Indian	781,522	831,320	903,488	899,281	894,402	830,000	860,000
Mysore	159,574	146,404	160,769	158,407	189,931	125,000	150,000
Bezwada Extension	9,292	18,648	} 231,152	265,982	306,218	310,000	420,000
East Coast including Bezwada-Madras	75,055	158,933					
Bezwada-Madras (Ennore Section)	...	...	...	6,133	6,387	4,400	6,000
Guntakal-Mysore Frontier	29,183	38,280	44,682	48,663	63,683	37,500	50,000
Mayavaram-Mutupet	...	21,179	24,654	25,720	25,837	24,000	26,000
Dhond and Manmad* (net)	34,857	38,199	40,824	36,739	28,127	29,000	30,000
Southern Mahratta	576,958	593,923	663,701	658,845	617,498	495,000	550,000
Hyderabad-Shadipalli	14,253	14,642	17,549	18,373	21,166	22,500	22,500
TOTAL	16,879,106	18,152,155	18,558,699	17,639,604	19,044,525	19,696,100	20,237,400

[redacted] line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India receive [redacted] receipts.

[redacted] the Bengal and North-Western Railway.

APPENDIX IV—*continued.*

Working Expenses.	Accounts. 1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,564,367	1,758,964	1,884,547	1,849,021	1,953,204	2,270,000	2,160,000
Rajputana-Malwa System	1,080,780	1,159,520	1,161,503	1,026,902	993,044	1,190,000	1,170,000
Bhopal	11,712	10,018	9,654	10,094	9,108	11,000	11,000
Palanpur-Deesa	568	2,780	2,686	3,588	2,742	2,800	3,200
Warora Colliery	56,683	48,099	40,212	34,772	39,593	43,000	43,000
Wardha Coal	12,164	13,095	11,719	12,222	14,033	13,800	12,000
Bengal-Nagpur	329,705	334,855	329,530	352,521	317,083	370,000	450,000
Umaria Colliery	34,277	40,041	39,293	39,692	37,723	45,400	...
Burma	365,924	350,344	347,382	380,052	519,781	525,000	530,000
Mu Valley	55,342	50,354	62,545	81,768			
Assam-Bengal	...	...	32,686	67,523	89,761	140,000	125,000
Jorhat	5,658	5,913	7,435	7,263	8,170	8,000	7,500
Cherra-Companyganj	1,975	2,046	2,311	2,591	6,863	10,000	3,500
Eastern Bengal	542,513	572,185	560,968	604,068	666,421	640,000	700,000
Bengal and North-Western and Tirhoot	389,490	411,373	437,903	437,276	443,359	490,000	570,000
Bengal Central	55,114	58,282	61,152	69,228	81,320	72,800	75,000
Oudh and Rohilkhand	377,963	482,205	500,857	450,084	461,517	490,000	510,000
Indian Midland	285,654	300,423	284,851	289,970	312,564	315,000	332,000
Lucknow-Bareilly	47,921	60,199	53,638	52,459	53,498	60,000	60,000
North Western	1,908,197	1,903,434	1,876,863	1,710,588	1,830,177	1,900,000	1,910,000
South Indian	490,754	493,469	542,308	516,895	507,859	500,000	510,000
Mysore	122,894	109,151	109,433	109,187	133,297	102,000	110,000
Bezwáda Extension	7,441	9,974	183,920	203,232	211,359	220,000	280,000
East Coast including Bezwada-Madras	59,599	132,706					
Bezwáda-Madras (Ennore Section)	...	...	...	5,114	4,039	2,900	3,800
Guntakal-Mysore Frontier	17,411	24,794	25,358	27,846	37,167	27,500	32,500
Mayavaram-Mutupet	...	13,074	15,282	15,191	14,983	17,400	16,000
Dhond and Manmad*	...	...	...	...	...	...	...
Southern Mahratta	428,462	433,013	444,109	447,858	437,897	395,000	407,500
Hyderabad-Shadipalli	11,407	10,720	12,691	12,548	14,640	15,000	15,000
TOTAL	8,263,975	8,791,031	9,040,836	8,819,553	9,201,202	9[illegible]	

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st Ja[illegible]

APPENDIX IV—*continued.*

Net Traffic Receipts.	Accounts. 1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	3,558,539	3,489,561	3,609,247	3,601,895	3,931,277	3,780,300	3,840,300
Rajputana-Malwa System	1,234,235	1,353,604	1,189,322	984,081	981,426	1,170,000	1,180,000
Bhopal	5,204	6,145	4,612	6,275	6,113	8,000	9,000
Palanpur-Deesa	890	1,081	1,068	1,598	1,227	1,200	1,300
Warora Colliery	—536	3,856	14,385	17,293	15,633	17,000	17,000
Wardha Coal	8,922	8,929	7,636	8,386	5,853	7,000	8,000
Bengal-Nagpur	351,185	344,359	328,394	260,378	298,228	350,000	370,000
Umaria Colliery	2,937	1,982	327	—559	783	2,900	...
Burma	253,085	245,200	307,919	359,229	349,495	340,000	370,000
Mu Valley	—27,266	—18,063	—21,692	—16,787			
Assam-Bengal	...	...	9,850	—1,078	16,790	—5,000	35,000
Porhat	1,435	1,444	641	1,917	2,553	1,600	2,100
Cherra-Companyganj	323	442	254	107	—6,292	—9,300	...
Eastern Bengal	706,968	866,444	870,600	896,519	863,792	770,000	850,000
Bengal and North-Western and Tirhoot	134,669	155,911	129,298	127,730	181,680	180,000	170,000
Bengal Central	22,996	25,944	32,451	24,287	37,050	28,200	35,000
Oudh and Rohilkhand	520,092	623,133	473,661	368,537	420,589	515,000	510,000
Indian Midland	146,712	227,244	169,625	195,776	256,070	260,000	268,000
Lucknow-Bareilly	28,741	38,528	27,719	26,876	36,404	45,000	45,000
North Western	1,123,274	1,350,753	1,608,828	1,177,319	1,652,644	1,760,000	1,740,000
South Indian	290,768	337,851	361,180	382,386	386,543	330,000	350,000
Mysore	36,680	37,253	51,336	49,220	56,634	23,000	40,000
Bezwáda Extension	1,851	8,674	47,232	62,750	94,859	90,000	140,000
East Coast including Bezwada-Madras	15,456	26,227					
Bezwáda-Madras (Ennore Section)	...	...	...	1,019	2,348	1,500	2,200
Guntakal-Mysore Frontier	11,772	13,486	19,324	20,817	26,516	10,000	17,500
Mayavaram-Mutupet	...	8,105	9,372	10,529	10,854	6,600	10,000
Dhond and Manmad	34,857	38,199	40,824	36,739	28,127	29,000	30,000
Southern Mahratta	148,496	160,910	219,592	210,987	179,601	100,000	142,500
Hyderabad-Shadipalli	2,846	3,922	4,858	5,825	6,526	7,500	7,500
TOTAL	8,615,131	9,361,124	9,517,863	8,820,051	9,843,323	9,819,500	10,190,400

APPENDIX IV—*continued.*

TABLE VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1897-98, with Revised Estimates for 1898-99, and Budget Estimates for 1899-1900.

	Actuals.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
DIRECT RECEIPTS—	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa canals	37,657	33,307	41,722	47,422	55,476	48,000	47,000
Midnapore canal	30,494	29,468	26,400	27,976	27,563	22,800	23,600
Hijili Tidal canal	5,920	5,853	6,198	9,094	9,221	7,500	7,000
Sone canals	93,191	83,776	77,212	106,469	126,697	101,700	92,500
Ganges canal	251,757	254,969	159,519	322,054	363,554	320,400	326,300
Lower Ganges canal	181,404	154,918	94,817	233,415	290,903	223,000	207,800
Ditto Fatehpur Branch	...	...	...	...	...	...	6,000
Agra canal	49,042	63,901	46,059	81,017	97,406	66,400	72,000
Eastern Jumna canal	95,758	89,581	67,546	111,377	141,547	124,800	122,900
Betwa canal	7,392	5,912	2,588	8,370	13,770	11,600	9,100
Western Jumna canal (including Sirsa Branch)	105,433	149,331	131,392	263,194	254,866	294,600	272,500
Chenab canal	36,217	48,363	104,622	167,741	204,889	249,400	280,000
Bari Doab canal	203,901	211,375	233,466	266,449	293,007	299,700	273,300
Sirhind canal	108,665	96,053	134,833	279,496	329,664	279,200	260,000
Swat River canal	25,599	27,503	24,403	26,621	36,550	40,100	38,000
Godavari Delta System	12,128	12,542	10,998	10,160	9,645	9,900	9,900
Kistna „ „	5,084	5,374	5,429	4,959	4,523	5,300	5,500
Sangam Anicut „	68	54	55	59	131	100	100
Periyar Project	...	...	...	...	69	...	...
Rushikulya „	...	102	53	83	78	100	100
Desert canal	1,787	1,685	4,201	1,489	3,284	4,300	4,300
Begari „	2,993	2,665	3,771	3,044	3,765	5,100	5,000
Eastern Nara Works	2,090	2,302	2,510	2,573	2,654	3,400	2,900
Mutha canals	25,128	23,582	27,704	23,539	23,417	24,000	27,400
Nira canal	7,754	8,187	8,688	7,904	13,571	11,200	11,200
Other projects	60,223	59,784	65,222	63,456	71,494	72,600	67,400
TOTAL	1,349,685	1,370,587	1,279,408	2,067,961	2,377,744	2,225,200	2,171,800
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Ganges canal	71,559	71,559	71,559	71,559	71,559	71,560	71,560
Lower Ganges canal	20,959	20,959	20,959	20,959	20,959	21,000	21,000
Eastern Jumna „	24,980	24,980	24,980	24,980	24,980	24,940	24,940
Chenab canal	2,282	11,972	16,878	23,273	27,920	33,700	56,000
Bari Doab canal	19,263	18,640	17,686	19,702	21,363	20,000	21,000
Swat River „	...	...	...	5,846	4,242	5,200	4,500
Godavari Delta System	217,899	226,102	234,847	256,771	291,086	290,400	309,400
Kistna „ „	186,038	186,690	205,940	202,871	230,827	230,800	231,700
Sangam Anicut „	16,583	17,622	18,201	18,607	17,666	20,900	22,000
Periyar Project	...	...	...	3,377	10,658	26,100	31,400
Rushikulya „	1,669	2,499	3,586	5,979	5,815	6,800	6,800
Desert canal	2,707	10,449	8,030	8,679	11,935	12,700	12,100
Begari „	28,440	27,826	23,586	28,642	36,279	37,600	37,700
Eastern Nara Works	40,897	38,430	35,044	44,223	53,433	46,200	47,100
Mutha canals	*—713*	*—629*	*—779*	*—551*	*—560*	...	
Nira canal	*—381*	*—400*	*—427*	*—389*	*—669*	...	
Other projects	114,744	119,440	141,574	137,280	137,245	141	
TOTAL	746,926	776,139	821,664	871,808	964,73		

APPENDIX IV—*continued.*

TABLE VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1897-98, with Revised Estimates for 1898-99, and Budget Estimates for 1899-1900—*continued.*

	Actuals.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
TOTAL REVENUE—							
Orissa canals	37,657	33,307	41,722	47,422	55,476	48,000	47,000
Midnapore canal	30,494	29,468	26,400	27,976	27,563	22,800	23,600
Hijili Tidal canal	5,920	5,853	6,198	9,094	9,221	7,500	7,000
Sone canals	98,191	83,776	77,212	106,469	126,697	101,700	92,500
Ganges canal	323,316	326,528	231,078	393,613	435,113	391,960	397,860
Lower Ganges canal	202,363	175,877	115,776	254,374	311,862	244,000	228,800
Ditto Fatehpur Branch	...	...	...	...	...	...	6,000
Agra canal	49,042	63,901	46,059	81,017	97,406	66,400	72,000
Eastern Jumna canal	120,738	114,561	92,526	136,357	166,527	149,740	147,840
Betwa canal	7,392	5,912	2,588	8,370	13,770	11,600	9,100
Western Jumna canal (including Sirsa Branch)	105,433	149,331	131,392	263,194	254,866	294,600	272,500
Chenab canal	38,499	60,335	121,500	191,014	232,809	283,100	336,000
Bari Doab canal	223,164	230,015	251,152	286,151	314,370	319,700	294,300
Sirhind canal	108,665	96,053	134,833	279,496	329,664	279,200	260,000
Swat River canal	25,599	27,503	24,403	32,467	40,792	45,300	42,500
Godavari Delta System	230,027	238,644	245,845	266,931	300,731	300,300	319,300
Kistna „ „	191,122	192,064	211,369	207,830	235,350	236,100	237,200
Sangam Anicut „	16,651	17,676	18,256	18,666	17,797	21,000	22,100
Periyar Project	...	...	...	3,377	10,727	26,100	31,400
Rushikulya „	1,669	2,601	3,639	6,062	5,893	6,900	6,900
Desert canal	4,494	12,134	12,231	10,168	15,219	17,000	16,400
Begari „	31,433	30,491	27,357	31,686	40,044	42,700	42,700
Eastern Nara Works	42,987	40,732	37,554	46,796	56,087	49,600	50,000
Mutha canals	24,415	22,953	26,925	22,988	22,857	24,000	27,400
Nira canal	7,373	7,787	8,261	7,515	12,902	11,200	11,200
Other projects	174,967	179,224	206,796	200,736	208,739	214,400	213,300
TOTAL	2,096,611	2,146,726	2,101,072	2,939,769	3,342,482	3,214,900	3,214,900
WORKING EXPENSES—							
Orissa canals	50,660	45,654	44,205	46,574	50,795	46,000	44,600
Midnapore canal	20,123	21,630	26,616	22,393	23,069	30,000	26,900
Hijili Tidal canal	5,422	4,548	5,888	3,849	3,844	6,000	5,300
Sone canals	69,313	65,465	53,132	55,372	57,478	59,000	61,200
Ganges canal	106,446	103,086	85,867	101,368	108,000	105,000	103,900
Lower Ganges canal	80,401	78,520	71,358	83,169	87,099	86,000	94,300
Ditto Fatehpur Branch	...	...	...	...	...	1,500	4,000
Agra canal	25,562	25,121	18,185	22,040	22,580	25,900	24,000
Eastern Jumna canal	32,320	31,260	26,105	31,941	32,987	34,200	33,900
Betwa canal	9,936	8,999	8,747	9,029	10,743	9,500	8,200
Western Jumna canal (including Sirsa Branch)	61,307	66,604	76,626	79,747	81,882	83,600	84,200
Chenab canal	30,911	43,190	41,399	49,918	62,110	71,200	86,300
Bari Doab canal	56,009	62,499	64,340	68,040	62,697	79,400	75,400
Sirhind canal	58,242	55,172	60,950	67,359	63,077	69,800	75,000
Swat River canal	8,815	8,296	9,171	6,041	10,299	10,200	9,700
Godavari Delta System	46,490	48,759	49,558	52,096	48,988	55,000	57,400
Kistna „ „	46,750	41,621	58,067	70,510	58,549	51,100	58,600
Sangam Anicut „	4,133	3,572	4,795	4,037	3,058	2,900	3,400
Periyar Project	...	...	...	4,211	8,226	11,500	9,200
Rushikulya „	987	1,397	2,915	3,975	3,286	4,500	5,000
[illegible] canal	8,525	11,570	5,167	6,409	7,002	6,900	7,400
[illegible]	2,686	3,452	5,216	5,756	9,640	8,000	10,200
[illegible] Works	9,981	12,605	10,998	7,908	10,593	10,200	8,600
[illegible]	6,021	7,177	6,595	8,443	6,966	7,700	7,200
[illegible]	5,491	4,658	4,333	5,489	5,120	5,400	5,200
[illegible]	42,426	44,904	47,068	55,506	54,031	50,500	49,000
	788,957	799,759	787,301	871,180	892,119	931,000	958,100

APPENDIX IV—*continued.*

TABLE VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1897-98, with Revised Estimates for 1898-99, and Budget Estimates for 1899-1900—*concluded.*

	Actuals.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
NET REVENUE—							
Orissa canals	—*13,003*	—*12,347*	—*2,483*	848	4,681	2,000	2,400
Midnapore canal	10,371	7,838	—*216*	5,583	4,494	—*7,200*	—*3,300*
Hijili Tidal canal	498	1,305	310	5,245	5,377	1,500	1,700
Sone canals	23,878	18,311	24,080	51,097	69,219	42,700	31,300
Ganges canal	216,870	223,442	145,211	292,245	327,113	286,960	293,960
Lower Ganges canal	121,962	97,357	44,418	171,205	224,763	158,000	134,500
Ditto Fatehpur Branch	...	...	...	...	...	—*1,500*	2,000
Agra canal	23,480	38,780	27,874	58,977	74,826	40,500	48,000
Eastern Jumna canal	88,418	83,301	66,421	104,416	133,540	115,540	113,940
Betwa canal	—*2,544*	—*3,087*	—*6,159*	—*659*	3,027	2,100	900
Western Jumna canal (including Sirsa Branch)	44,126	82,727	54,766	183,447	172,984	211,000	188,300
Chenab canal	7,588	17,145	80,101	141,096	170,699	211,900	249,700
Bari Doab canal	167,155	167,516	186,812	218,111	251,673	240,300	218,900
Sirhind canal	50,423	40,881	73,883	212,137	266,587	209,400	185,000
Swat River canal	16,784	19,207	15,232	26,426	30,493	35,100	32,800
Godavari Delta System	183,537	189,885	196,287	214,835	251,743	245,300	261,900
Kistna „ „	144,372	150,443	153,302	137,320	176,801	185,000	178,600
Sangam Anicut „	12,518	14,104	13,461	14,629	14,739	18,100	18,700
Periyar Project	...	...	...	—*834*	2,501	14,600	22,200
Rushikulya „	691	1,204	724	2,087	2,607	2,400	1,900
Desert canal	—*4,031*	564	7,064	3,759	8,217	10,100	9,000
Begari „	28,747	27,039	22,141	25,930	30,404	34,700	32,500
Eastern Nara Works	33,006	28,127	26,556	38,888	45,494	39,400	41,400
Mutha canals	18,394	15,776	20,330	14,545	15,891	16,300	20,200
Nira canal	1,882	3,129	3,928	2,026	7,782	5,800	6,000
Other projects	132,532	134,320	159,728	145,230	154,708	163,900	164,300
TOTAL	1,307,654	1,346,967	1,313,771	2,068,589	2,450,363	2,283,900	2,256,800

APPENDIX IV—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

TABLE VII.—Abstract of Revised and Budget Estimates of Capital transactions of Guaranteed and Subsidized Railways, 1898-99 and 1899-1900, and Actuals for 1897-98.

RAILWAYS.	Amount in Rupees. (Omitting 000 in Estimates.)				Amount of Exchange. (Omitting 000 in Estimates.)				Amount in Pounds Sterling. (Omitting 00 in Estimates.)			
	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	Budget, 1899-1900.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	Budget, 1899-1900.	Accounts, 1897-98.	1898-99. Budget.	1898-99. Revised.	Budget, 1899-1900.
GUARANTEED RAILWAYS.												
Receipts.	₹	₹	₹	₹	₹	₹	₹	₹	£	£	£	£
Madras	28,05,278	28,00	30,00	25,00	2,33,773	2,33	2,50	2,08	257,150	256,7	275,0	229,2
Bombay, Baroda and Central India	55,92,104	48,00	51,00	48,00	4,66,008	4,00	4,25	4,00	512,610	440,0	467,5	440,0
Great Indian Peninsula	71,35,496	72,00	91,00	75,00	5,94,625	6,00	7,58	6,25	654,087	660,0	834,2	687,5
Do. Extensions	...	...	15	...	...	...	5	...	...	...	1,0	...
Total	1,55,32,878	1,48,00	1,72,15	1,48,00	12,94,406	12,33	14,38	12,33	1,423,847	1,356,7	1,577,7	1,356,7
Advances.												
Madras Extension	50,484	30,62	6,00	7,50	18,349	11,36	2,03	2,58	3,214	192,6	39,7	49,2
Madras	22,21,881	28,25	22,00	13,71	1,85,157	2,35	1,83	1,14	203,672	259,0	201,7	125,7
Bombay, Baroda and Central India	52,93,703	54,50	56,00	50,88	4,41,141	4,54	4,67	4,24	485,256	499,6	513,3	466,4
Great Indian Peninsula	40,28,920	45,00	47,00	48,48	3,35,744	3,75	3,92	4,04	369,318	412,5	430,8	444,4
Ditto Extensions	...	8,74	11,00	28,97	...	3,18	3,73	9,96	...	55,6	72,7	190,1
Total	1,15,94,988	1,67,11	1,42,00	1,49,54	9,80,391	25,18	16,18	21,96	1,061,460	1,419,3	1,258,2	1,275,8
Net Receipts.												
Madras Extension	—50,484	—30,62	—6,00	—7,50	—18,349	—11,36	—2,03	—2,58	—3,214	—192,6	—39,7	—49,2
Madras	5,83,397	—25	8,00	11,29	48,616	—2	67	94	53,478	—2,3	73,3	103,5
Bombay, Baroda and Central India	2,98,401	—6,50	—5,00	— 2,88	24,867	—54	—42	—24	27,354	—59,6	—45,8	—26,4
Great Indian Peninsula	31,06,576	27,00	44,00	26,52	2,58,881	2,25	3,66	2,21	284,769	247,5	403,4	243,1
Ditto Extensions	...	—8,74	—10,85	—28,97	...	—3,18	—3,68	—9,96	...	—55,6	—71,7	—190,1
Lump alteration	...	23	...	...	...	28	...	...	...	—5	...	...
Total	39,37,890	—18,88	30,15	—1,54	3,14,015	—12,57	—1,80	—9,63	362,387	—63,1	319,5	80,9
SUBSIDIZED RAILWAYS.												
Receipts.												
Gain on remittances to India. Southern Mahratta	...	...	...	...	1,74,675	1,96	1,44	64	—17,467	—19,6	—14,4	—6,4
Assam-Bengal	...	...	...	...	—13,884	...	...	...	1,388	...	...	...
Indian Midland	...	...	...	...	88,997	2,25	1,12	2,92	—8,900	—22,5	—11,2	—29,2
Do. Saugor-Katni	...	...	...	...	—1,991	...	...	...	199	...	...	...
Bengal Central	...	...	...	...	35,680	10	16	1	—3,568	—1,0	—1,6	—1
Bengal-Nagpur	...	...	...	...	—14,431	—31	—56	—20	1,443	3,1	5,6	2,0
Do. extensions	...	...	...	...	—96,963	—14	—29	...	9,696	1,4	2,9	...
Burma	...	...	...	...	—53,642	—60	—1,08	—1,36	5,365	6,0	10,8	13,6
Lump alteration	...	...	...	...	...	39	...	...	...	—3,9	...	...
	...	...	...	...	1,18,441	3,65	79	2,01	—11,844	—36,5	—7,9	—20,1
Capital received in India. Ahmedabad-Parantij	2,30,000	...	—22	21	...	...	...	...	23,000	...	—2,2	2,1
South Behar	28,00,000	20,00	15,50	6,55	...	...	...	...	280,000	200,0	155,0	65,5
Tapti Valley	23,15,000	81,00	65,00	23,00	...	...	...	...	231,500	810,0	650,0	230,0
Mymensing-Jamalpur	4,78,000	12,00	7,00	6,00	...	...	...	...	47,800	120,0	70,0	60,0
Brahmaputra-Sultanpur	5,28,540	14,00	5,50	8,00	...	...	...	...	52,854	140,0	55,0	80,0
Hurdwar-Dehra	2,55,000	17,00	15,00	8,80	...	...	...	...	25,500	170,0	150,0	88,0
	66,06,540	1,44,00	1,07,78	52,56	...	...	...	...	660,654	1,440,0	1,077,8	525,6
Total	66,06,540	1,44,00	1,07,78	52,56	1,18,441	3,65	79	2,01	648,810	1,403,5	1,069,9	505,5
Withdrawals in India.												
Southern Mahratta	—1,42,100	1,35	—3,67	33	—23,683	22	—61	6	—11,841	11,3	—30,6	2,7
Mysore	1,24,832	3,50	3,50	2,00	31,567	88	88	50	9,326	26,2	26,2	15,0
Assam-Bengal	39,66,333	—14,02	—12,44	—12,74	15,95,623	—5,04	—4,23	—4,85	237,071	—89,8	—82,1	—83,9
Indian Midland	—4,97,084	—8,69	—1,48	—4,36	—99,417	—1,74	—30	—87	—39,767	—69,5	—11,8	—34,9
Ditto Saugor-Katni	26,97,063	14,55	13,72	16	10,62,479	5,73	5,40	6	163,458	88,2	83,2	1,0
Bengal Central	3,08,753	2,69	5,10	2,98	86,683	75	1,43	1,00	22,207	19,4	36,7	19,8
Bengal-Nagpur	25,674	1,11	2,71	5,90	1,080	46	1,12	2,30	2,459	6,5	15,9	36,0
Ditto extensions	1,12,34,003	1,23,46	1,17,29	84,43	44,04,299	44,65	40,80	28,85	682,971	788,1	764,9	555,8
Lucknow-Bareilly	77,692	25	40	—7	32,294	9	14	—2	4,540	1,6	2,5	—5
Burma	53,52,356	88,31	53,51	54,19	22,00,508	36,31	22,00	22,28	315,185	520,0	315,1	319,1
Lump alteration	...	—96	...	...	...	—11	...	...	...	—8,5	...	...
	2,31,47,522	2,11,55	1,78,64	1,32,82	92,91,433	82,20	66,63	49,81	1,385,609	1,293,5	1,120,1	830,1
Ahmedabad-Parantij	2,78,332	12	6	21	...	...	...	...	27,833	1,2	6	2,1
South Behar	24,52,248	25,00	20,40	7,75	...	...	...	...	245,225	250,0	204,0	77,5
Tapti Valley	23,43,649	81,00	65,00	23,00	...	...	...	...	234,365	810,0	650,0	230,0
Mymensing-Jamalpur	5,62,623	12,00	7,00	6,00	...	...	...	...	56,262	120,0	70,0	60,0
Brahmaputra-Sultanpur	8,77,256	16,00	6,80	8,00	...	...	...	...	87,725	160,0	68,0	80,0
Dehra	3,65,256	17,45	15,00	8,80	...	...	...	...	36,526	174,5	150,0	88,0
	68,79,364	1,51,57	1,14,26	53,76	...	...	...	...	687,936	1,515,7	1,142,6	537,6
Total	3,00,26,886	3,63,12	2,92,90	1,86,58	92,91,433	82,20	66,63	49,81	2,073,545	2,809,2	2,262,7	1,367,7
	2,34,20,346	2,19,12	1,85,12	1,34,02	91,72,992	78,55	65,84	47,80	1,424,735	1,405,7	1,192,8	862,2
GI-	1,94,82,456	2,38,00	1,54,97	1,35,56	88,58,977	91,12	67,64	57,43	1,062,348	1,468,8	873,3	781,3

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA, ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 AND 1892 (24 & 25 VICT., CAP. 67, AND 55 & 56 VICT., CAP. 14).

The Council met at Government House, Calcutta, on Monday, the 27th March, 1899.

PRESENT:

His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.
The Hon'ble Sir J. Westland, K.C.S.I.
The Hon'ble Mr. M. D. Chalmers, C.S.I.
The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.
The Hon'ble Sir A. C. Trevor, K.C.S.I.
The Hon'ble Mr. C. M. Rivaz, C.S.I.
The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidia Vinodha Avargal, Rai Bahadur, C.I.E.
The Hon'ble Sir G. H. P. Evans, K.C.I.E.
The Hon'ble Mr. J. J. D. LaTouche, C.S.I.
The Hon'ble Rai Bahadur Pandit Suraj Kaul, C.I.E.
The Hon'ble Mr. Gangadhar Rao Madhav Chitnavis, C.I.E.
The Hon'ble Mr. Allan Arthur.
The Hon'ble Mr. P. M. Mehta, C.I.E.
The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.
The Hon'ble Mr. J. K. Spence, C.S.I.
The Hon'ble Mr. G. Toynbee.
The Hon'ble Mr. D. M. Smeaton, C.S.I.
The Hon'ble Mr. J. D. Rees, C.I.E.
The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.
The Hon'ble Nawab Bahadur Sir Khwaja Ahsanullah, K.C.I.E.

DISCUSSION OF THE FINANCIAL STATEMENT FOR 1899-1900.

The Hon'ble SIR JAMES WESTLAND said:—"My Lord, in initiating the discussion on the Financial Statement there are one or two points on which I have to make a few observations. A couple of years ago I had to make an apology here for not being able to send the Financial Statement to the Presidency of Madras in the same way as advance copies of it had been sent to Bombay and other places. I regret that there was a failure this year also, and I would make an apology for it were it not for the fact that I have received a thorough scolding from a newspaper in Madras which I think has had the effect of enabling us to cry quits. But I think it is a little ungenerous for this newspaper to hint—if it has not positively said so—that it was partly intentional on my part that I neglected to send the Statement to Madras, and that it arises simply from the fact that I have never hesitated to sacrifice the interests of the Southern Presidency to those of Northern India. I wish to explain that it is really difficult for us to get the Financial Statement ready in time to send it off three days before the day fixed its presentation in this Council. I have formerly explained that we do not the Financial Statement until we have an opportunity of considering the

results of February's accounts. That puts off the possible completion of it till the 12th or 13th March at the very earliest. Having done this, we have to prepare ourselves for presenting it before the Council about the 20th March, as sundry inconveniences arise if it is not ready by that date. We have therefore only the 13th to the 20th at the very outside to prepare the final copy of the Statement and to pass it through the press, and if possible send it off to Bombay and Madras. I have done my best to let these Presidencies have copies of it, but I really cannot accept responsibility for Madras being one day further from Calcutta than Bombay, and of the consequent failure in respect of the arrival of the Budget Statement in Madras while it has been duly delivered in Bombay.

"One other remark I wish to make—a remark of a general character. On this day last year I was engaged in defending myself against charges of 'complacent optimism'—I think that was the expression used with regard to the preparation of last year's estimates. Well, I of course was unable to say anything more than that the estimates had been very carefully prepared upon the usual principles, and if Hon'ble Members would only choose to wait twelve months they would see whether I was guilty of 'complacent optimism' or not. Hon'ble Members can judge for themselves whether the results show that I systematically over-estimated the revenues. As a matter of fact, and as I pointed out last Monday, the returns of revenue exceed the estimates which I made last year. I see that I am accused this year from two directions: one leading newspaper of Northern India accuses me of pessimism because under Salt and some other heads we are quite certain of receiving larger sums than I have entered in the estimates. A leading Calcutta newspaper, on the other hand, accuses me of optimism because it is not quite sure that we shall receive the opium revenue which is entered in the estimates. If I am accused on the one hand of optimism and on the other hand of pessimism, the natural conclusion I come to is that I have been adopting a very fair and just mean. There is one thing I wish to repudiate, and that is this: I have not made the estimates, in any sense whatever, with reference to my leaving office and to the management of the finances going into other hands; every single figure in the estimates is exactly what it would have been if the financial management of the empire had remained in my hands. That, I say, I wish most positively to repudiate any such intent, because I have seen it asserted that I had in view the change of office, and that I have prepared the estimates which I have laid before the Council, with a view to that change. I think Hon'ble Members should bear in mind that these estimates are not meant as guesses of the future. The figures as I now state them may, when we come to make up the accounts, show under various heads higher or lower figures than I set out. It is not intended in these estimates merely to make a guess at the future; they are not merely a pleasing arithmetical exercise brought to the Council for criticism, but they are an answer to this question—what revenue can you fairly count with security upon receiving, and what expenditure can you in accordance therewith undertake to incur? If Hon'ble Members will bear in mind that that is the question which the estimates are intended to answer, I think they will see that on the one hand it is necessary for us to make, in a country which is liable to so many changes during the year as India—it is necessary for us to make what are ordinarily called safe estimates of revenue, and on the expenditure side we fully expect, notwithstanding our estimates, to finish the financial year with considerable savings upon the Budget expenditure."

The Hon'ble THE MAHARAJA OF DARBHANGA said:—"My Lord, I have listened with interest and pleasure to the exceedingly satisfactory B[redacted]

Statement with which the Hon'ble Member in charge of the Finance Department has presented us. It is, indeed, cheering to observe the revenues so steadily expanding. I shall not be guilty of the impertinence of congratulating the Hon'ble Member on the results of his last Budget; but I have a few observations to offer in connection therewith which I hope will meet with the favourable consideration of the Government of India.

"I shall divide my remarks under several heads with Your Excellency's permission; and the first point upon which I propose to touch is that of the income-tax. I am sorry, my Lord, that the Hon'ble Member has not been able to announce or to recommend any reduction of taxation. With a realized surplus of 4 crores and with a further 3 crores and 90 lakhs estimated to accrue during the coming year, I must confess that the public might have expected some such boon at his hands. I can sympathize with the Hon'ble Member in the reasons he assigns for maintaining taxation upon its present scale: although perhaps I am not so much impressed with their gravity. But there are many directions in which concessions might be made, without seriously affecting the stability of the finances. The income-tax furnishes us with an excellent illustration. This is a tax the incidence of which is particularly felt by the lower middle classes in this country. Under the present taxable minimum of five hundred rupees per annum, all persons with a monthly income of fifty rupees are assessable. As has already been pointed out more than once in this Council in the discussion upon previous Budget Statements, the parties who pay tax under this class of the schedule are petty tradesmen and clerks in Government offices or in private employ. Notwithstanding the smallness of their salary, they are expected to appear in public in respectable clothing, and there is not one of them who has not to maintain and provide for a large family. I submit that they are a class who in every way deserve relief at the hands of the Government. Their necessities are such that, considering the general rise in the prices of articles of food and clothing during the past twenty years, it is impossible for them to make two ends meet on such a paltry income. The suggestion I would respectfully make to Your Excellency would be that the taxable minimum should be raised from Rs. 500 to Rs. 1,500, or the rupee equivalent to £100 per annum. The Hon'ble Member in charge of Finance may reply—although I sincerely hope he will not, with such a large cash balance at his disposal—that the Government requires the money contributed by these classes of people, and that it cannot therefore see its way towards granting the relief prayed for on their behalf. I venture to urge, on the contrary, that the existence of so prosperous a Budget-sheet as has been unfolded to us affords an excellent opportunity for exempting these persons from the operation of the tax. I do not intend to enter into a discussion on the subject of the suitablity or otherwise of a tax like the income-tax to this country, but I would represent that it causes great distress and inconvenience to individuals of the class I have named, with small incomes and pressing necessities. I am sure no greater boon could be conferred, nor one that would be received with greater gratitude, than the lightening of the burden of the income-tax upon the heavily-weighted shoulders of these poor people.

"There is another topic to which I would ask Your Lordship's sanction to allude. I am the more encouraged to do so, I confess, by the character and tenor of Your Excellency's various utterances since your assumption of your exalted office. I acknowledge with gratitude the grants-in-[redacted] and the contributions made to provincial governments to meet earthquake, [redacted]e and plague expenditure. They have been bestowed with a liberal hand:

for they amount in all, as I observe, to a crore and thirty-two lakhs of rupees. But I would ask—why not restore the working capital of each province to its statutory balance? To do so would be to enable them once more from their current resources to prosecute those public works which are so urgently called for. I speak, my Lord, with special reference to Bengal and Assam. In either province there is much to be done in this direction. I need only mention at random the lack of good roads in the Duars and the equally lamentable want of adequate means of communication in Assam. Then again I would beg for an energetic policy on the part of the Agricultural Department. There are many questions with which they might profitably deal, and in all of which the cultivator is vitally interested. Take, for instance, the introduction of new crops. In South Russia, I am told, the sun-flower is grown in large quantities and an excellent oil distilled from it. Why should not an enquiry be instituted in this direction? Take again the serious nature of the disease that is attacking the betel-nut trees in Bengal and the sugarcane in Madras. This is another matter that merits the attention of the department. No one, I dare assume, will deny that the backbone of India lies in her agriculture. Were it not for her cultivating class, India would cut a sorry figure, from a financial point of view. I submit, my Lord, that it is the duty of the administration to assist the cultivator, and to foster and encourage his interests in every possible way. I am not asserting that much has not been done, and that much is not being done at the present moment, in this direction; and I hope I shall not be so unfortunate as to be misunderstood. I yield to no one in my appreciation of the sentiments expressed by Your Lordship in your speech on Monday last on the Sugar Duties Bill: and, unless I am much mistaken, it will prove to be the beginning of a new era in our history. But I will venture to remind Your Excellency of the public occasion upon which you gave expression to the hope that the five years of your Viceroyalty might see the completion of a quarter of a lakh of miles of the Indian railway system. Nothing, if I may say so, has given more satisfaction in India than this glimpse into the policy of internal development which Your Excellency has evidently set before you. If there is one thing more than another that the people of India need, it is increased facilities in the way of transport, for it will encourage agriculture, stimulate commerce, and help to open out the mineral and other resources of the country. And this leads me on to the offering of a few observations, which I do with all respect, on the administration of railways in India. Circumstances have brought it about that most of the large railway systems in this country are under the direct control and management of the State. I do not presume to quarrel with the arrangement. It finds its counterpart in more than one country on the Continent of Europe; and it certainly has many arguments to recommend it. One of the advantages it undoubtedly possesses, my Lord, is that it enables me to bring up the subject on the present occasion, and to call the attention of the Government of India to certain matters in connection with which it is the general feeling that some reform might be introduced.

"I would first deal with the question of third class accommodation. A large profit is derived from this source, and there is no doubt that without its receipts the Railway Administration would be seriously embarassed. That being so, may we not reasonably ask for better carriages? Is it not possible for some improvement to be made in the fittings and general arrangements of third class carriages? I would suggest the introduction of corridor trains of third class carriages, with conveniences at either end. The idea is no new one. In America such carriages have been in use almost since the introduction of railways into the United States. In England they are becoming daily more and more po

There is no question of want of funds to stand in the way, for, as I have already said, there is a large profit derived from the conveyance of third class passengers. Again, the subject of suitable latrine accommodation for these passengers has been raised more than once in Your Excellency's Council. But, although attention has repeatedly been called to it, and questions asked of the Hon'ble Member in charge of the Department by my friends the Maharaja of Ajudhya and the late Prince Sir Jahan Kadr Mirza, I cannot find that any material improvement has resulted. The want of suitable latrine accommodation in the carriages themselves is further aggravated by the system under which third class passengers are locked up for long distances. There is, again, the question of conveniences for native ladies when travelling. This is a most important matter, and one of which I hope the mere mention may be sufficient to secure a much-needed improvement. I would also ask for a more frequent train-service. Until this reform is effected it will be impossible to prevent hustling and over-crowding at stations. The spectacle is a very unseemly one; but passengers are compelled to resort to it in order to secure seats. The fact is, however, that there is not accommodation for half of those who wish to avail themselves of it; and dozens of travellers are daily left behind at railway stations. In many cases they are detained for the whole day, and always for many hours, for there is not that constant succession of trains to which an English traveller is accustomed. I would call the attention of Government to the great room for improvement in this direction. Further, I would suggest that separate accommodation should be provided in all trains of all classes (whether first, second, intermediate or third) for natives and Europeans. This will be no startling innovation, for separate third class carriages are already provided for Europeans upon most trains. The public benefit will be great. There would then be an end of the unhappy incidents which sometimes occur on railways, and which are nearly always traceable to a want of mutual understanding between the two communities, and a lack of proper appreciation of each other's peculiar habits and customs. At present, too, the intermediate carriages upon certain lines of railway are just as deficient in proper latrine accommodation as the third class carriages in all. I would plead for the adoption of a uniform system. There seems to be no reason why the East Indian Railway and the Eastern Bengal State Railway, which are both under State management, should decline to provide conveniences for their intermediate passengers. For, on the Bengal and North-Western Railway, such accommodation is provided. This again is a defect which, in my view, calls for urgent remedy.

"I now come to the question of fares. My Lord, I do not deny that the present rate per mile for third class fares is low, in comparison with those in other countries: but so are the working expenses, especially on railways in Bengal. I would urge on behalf of the community a still further reduction. As has been pointed out with all the authority of the Press, a journey of twenty miles by rail, at a cost of four annas two pies, or $2\frac{1}{2}$ pies per mile, may appear at first sight a small charge, and from an European point of view, it undoubtedly is so. But it often amounts to fourteen per cent. of the monthly income earned by a large number of these third class travellers; and it is to them a serious consideration. I will put my case for cheaper fares, with Your Excellency's permission, in the words of Colonel Sedgwick, I take from a note, published by him in 1881, when Manager of one of the State lines, and quoted by Mr. Horace Bell in his book on *Railway Policy in India*. I venture to think his remarks are still most applicable. He says:

"If we look at what railways have done, in view of the conditions they have had to face, find that they have adopted, in competition with carts and boats, comparatively

low goods rates, but that they have never thought of lowering their passenger fares sufficiently to enable an ordinary coolie to travel more cheaply by rail than he can travel on foot, though this can undoubtedly be done . . . It is not to be wondered at, therefore, that railways have altogether failed to attract the masses, and have only succeeded in getting the well-to-do classes . . . To attract the masses railways will have to lower their fares until a journey can be done as cheaply on the railway as on foot. To do this the fare must not exceed 1½ annas for twenty miles, or say one pie a mile, and perhaps in the poorer districts it may have to be reduced to three-quarters of a pie.'

" I will only add that, in issuing the pamphlet in which these excellent observations of Colonel Sedgwick occur, the Government not only pointed out that third class fares had been reduced to 2½ pies a mile on the East Indian Railway, but they added that the effects of the reduction would be watched 'with care and interest,' with the view of proceeding further in the direction of a further reduction of fares. This was seventeen years ago, and my submission to Your Lordship is that the time has now come for the putting into action of the words of sympathy then expressed.

'Up to 1890,' says Mr. Horace Bell, 'the minimum fare aimed at by the Government was 1¾ pies per mile, but this was not acted on, the lowest fare on State lines being 2 pies per mile. In June 1891, however, this minimum was further reduced to 1½ pie a mile. . . . As yet only one line, the Madras Railway, has had the sense to adopt this fare, and with results that are so far very encouraging; while another, the Bengal and North-Western Railway, closely follows with a station-to-station rate, which is equivalent to about 1¾ pies a mile, and with entirely satisfactory effect. What is needed is that the Government should have the courage of its opinions, and show the lead by giving this low rate a full and fair trial on some large State line. There is good reason for the hope that this course will be shortly taken: but, until this is done, it will continue to be held, by those well qualified to hold the opinion, that we have not yet reached, and that by a long way, the limits of our passenger traffic on India railways, and to this it will be impossible to offer any adequate refutation. At the same time it is conceded that a rate of 1½ pie per mile is not properly applicable over the whole Empire, but is only suited for adoption over areas in which the population is at once dense and poor, and where low wages, and the general struggle for existence, renders them unable to contemplate journeys by rail on more onerous terms. The statistics of the railways which serve such districts point to the certainty that with large numbers, low speeds, and properly-fitted vehicles, passengers of the lowest class could be carried at a fare of one pie per mile, and leave a profit of from 20 to 30 per cent.; but the cost of carriage is a quantity varying with the volume of traffic, and it may be found that an even lower rate is possible. If, however, we can profitably carry at one pie per mile—a rate which implies that a man can travel 24 miles for the lowest daily wage now paid in India—we may rest satisfied that we have placed railway travel within the means of the poorest classes, and may be content to wait for the results.'

" There is nothing, my Lord, that I could wish to add to these remarks of Colonel Sedgwick and Mr. Bell, which express my own views in far better language than is at my command. But if I were to say a word, it would be this: why should it be an essential of Indian railway management that no reform can be undertaken, unless it will result in a profit? In other countries, so far as my knowledge serves me, such considerations are subordinated to the main question of the convenience of the public. Facilitate the means of transport, encourage the population to move about freely; and, although the result may not be a net gain to the railway administration, the advantage, I submit, is bound to be felt in other directions and in the other component parts of the machinery of the State. I assume that the greater traffic will more than compensate for the loss per unit occasioned by the reduction in fares.

" And, while I am on the subject of railways, there is one more topic to which I ask permission to advert. Are the Government of India, I venture to enquire, really satisfied that the solitary railway system, as represented by the East Indian Railway, adequately serves the requirements of the large population that lines its route, either in the matter of passenger or of goods traffic? As a member of the Bengal Chamber of Commerce, I wi[redacted]

say here that I thoroughly agree with the views of the Chamber on the point. But, if any proof were required of the soundness of their contentions, it is to be found in the slow transit of goods from the North-Western Provinces at the present time. I cannot help observing, my Lord, that, while the Railway Department have not grudged the increased rate of railway mileage which they have given of late years to the North-Western Provinces, Bengal itself has not been equally well-treated in this respect. It has been amply demonstrated during the late famine that increased facilities for transport are urgently necessary; and a glance at the map will suffice to convince the most incredulous. For there is a tremendous blank from Lakhiserai to Bilaspur. I am in favour of the filling up of this gap on more than one ground. The construction of a line running through Chota Nagpur, such as the merchants of Calcutta have so long advocated, would not only serve the interests of trade, but would enable large numbers of Hindus to visit the sacred shrines of Benares, Gaya and Pooree, without the vexations, inconveniences and dangers inseparable from a pilgrimage by road. And I would also point out that it would prevent large hordes of people passing through the great centres of population in their present leisurely fashion, a most serious matter in these days of plague. Intimately bound up with this question and equalling it in gravity and urgency, is the necessity that exists for the construction of light narrow gauge feeder lines of railway in rural districts. I venture to express a hope that Your Lordship will be able to see your way towards giving every encouragement to the development of such projects, not only in Assam, where they are imperatively demanded for the opening up of communications, but also in Bengal itself. We have already a few of these lines, thanks to private enterprise and energy: but we sadly require more. I submit it is most important to adopt every precaution against the spread of famine, and nothing is more calculated to defeat this object than the absence of adequate means of transport.

"My Lord, the consideration of the question of providing increased facilities of transport, and of the prevention of famine thereby, brings me to another topic with which I propose to concern myself. As a zamindar, the question of the colonization of the waste-lands of Assam has the deepest interest for me. The subject was broached by my friend Sir Patrick Playfair during the Budget discussion in this Council in 1897. Sir Patrick then observed:

'Closely connected with the prevention of famine lies the question of the movement of the people and their distribution for employment...In this connection I would call attention to the advantages that might be gained by the movement of the people to the province of Assam and to the benefit that the Government of India would confer in bringing this about.....There is an enormous tract of land quite distinct from that suitable for tea, which is well adapted to the cultivation of cereals, jute, and other crops...It is remarkably free from drought, and should now be pouring supplies of grain into Bengal, like the neighbouring province of Burma. Feeling assured that Assam cannot be peopled without special effort, I should like to enquire if the Government of India will not undertake this as a protective measure against famine, as well as for the good of the province.'

"My Lord, in answer to Sir Patrick Playfair and to my late brother, who warmly supported what had fallen from the mercantile Member, His Honour the Lieutenant-Governor of Bengal, who was then in charge of the Home Department of Your Excellency's Government, undertook that the observations that had been made should be communicated to the Chief Commissioner of Assam. His Honour added that there was nobody who, from his energy and experience in these matters, was more likely to work out a practical scheme for the emigration of the people than Mr. Cotton, the present Chief Commissioner. No better proof of the truth of Sir John Woodburn's eulogiums could be found than the masterly note upon the subject that has since been compiled by Mr. Cotton. That [redacted] has been before the public since the 6th of February, together [redacted]he letters of the Revenue and Agricultural Department; and, in common with

many others—for the topic has aroused widespread interest in Calcutta—I have perused the correspondence with attention. I observe, my Lord, that permission has been given to the Chief Commissioner to make grants to private capitalists over an experimental area, subject to the modified conditions sanctioned by the Government of India. I would not have dwelt upon this subject at all, but, as a zamindar and a capitalist, my interest in the question is somewhat of a personal nature. Your Excellency will, I trust, forgive me if I say that the conditions imposed by the Government of India are not such as to attract any zamindar or private capitalist. The addition of clearance conditions, and the reduction of the period of the lease to 33 years, are especially felt to be insuperable objections. If Your Excellency will permit me to offer a humble and respectful expression of opinion, it would be to urge that as few conditions as possible should be attached to the first grants of land made under Mr. Cotton's scheme. I am aware, my Lord, that I am hazarding a bold suggestion; but I do so on the following grounds. The problem is here the opening out of virgin tracts of country. The difficulty is to induce pioneers to come forward and perform their task. Now, the success of one or two of these experimental grants will be certain to lead to a number of applications. The Government would then be perfectly justified in imposing any conditions they thought fit: for the success of the scheme would be assured. But, as the proverb goes, it is the first step that requires inducement and encouragement. I would offer the early pioneers a free-hold grant. This is exactly the method that was adopted to introduce the cultivation of tea into Assam. Moreover, these pioneers will not succeed in the beginning in attracting any tenants to settle on their grants on any other terms, and there seems no reason why they should be placed on worse terms than their own tenants. The time for clearance conditions, and other conditions favourable to the interests of Government, will follow, as I have said, in due course. I will not deal further with this subject, my Lord, except to say that I am confident when once the ice is broken—and it will not be broken unless some such concession is accorded as I have ventured to indicate—further private capital will seek investment in the Province.

"My Lord, there is one more subject to which I desire to address myself before I conclude. It has relation to the profit derived from the administration of justice. Now, this is an item which I do not discover in the Budget Statement. The only attempt, as far as I can ascertain, to arrive at an estimate of the net cost of civil justice was in 1890: and it is published in the Gazette of India for January 11th of that year. This I understand to be the return to which Sir Henry Prinsep referred in 1897 and in 1898 from his place in Your Excellency's Council. But we have had nothing furnished to us in the shape of a yearly statement or even a quinquennial statement since 1890. I would suggest that it would be greatly to the public convenience if the Financial Department would publish a quinquennial return of the receipts and expenditure under this head. Meanwhile, I avail myself of the only sources at my disposal. I will deal only with Bengal. In Bengal, I find a steady annual surplus of a lakh of rupees given in the report on the adminstration of criminal justice for the year 1897 as the net profit during the last four years under the head of receipts and charges on account of the service of processes in the Criminal Courts. In the corresponding report for 1897 on the administration of civil justice in Bengal, we are informed that, inclusive of the High Court and the Presidency Small Cause Courts, the receipts of the Civil Courts for the year under review amounted to Rs. 1,05,13,724, and the charges to Rs. 54,75,588, including the amount realized on account of duty on probates, etc. There was, therefore, a profit to Government from civil litigation of Rs. 50,38,136, and, exclusive of this important item of Rs. 5,30,548, the surplus amounted to Rs. 45,07,588, or mo[redacted]

Rs. 1,15,666 than the surplus of 1896. My Lord, these are very satisfactory figures. But, as Sir Henry Prinsep pointed out in 1897, the people of Bengal derive very little benefit from the very large tax which they pay.

'This is a matter,' continued the learned Judge, 'upon which we Judges of the High Court feel strongly, and we have always felt that, whereas the revenue in this Department was really supplied by Bengal, it was swallowed up by other Presidences, and they had considerable difficulty in obtaining what they considered to be necessary for Bengal. It was, however, represented to us that it was an Imperial question, and that it was the aggregate that was to be looked to as representing the revenue and the expenditure.'

"Now, my Lord, without disputing the correctness of the contention of the Government of India or discussing it, I would respectfully ask that some portion of this surplus from the administration of justice may be expended on the High Court itself where the rates of salary and the pension rules pressingly call for attention. And I would beg in addition for the improvement of the prospects of the civil judicial officers in Bengal. It is well known that the duties discharged by Munsifs and Subordinate Judges are onerous and responsible; and it is equally well known that they discharge them with honesty and efficiency. But, if they do not complain, it is not because they have no grievances. I would represent that the question of house-accommodation for Munsifs calls for the urgent attention of the authorities. In many places the subordinate judicial officers of Government are compelled by the lack of suitable house-accommodation to live in a manner which is not only injurious to their health and prejudicial to their capacity for work, but which, I submit, is not in consonance with the official positions they have the honour to hold. Again, their salary is low in proportion to the mass of work they have to perform: and it is notorious that they are as overworked as they are under-paid. To improve the condition and the prospects of those most deserving servants of the State is a task that appeals to me with peculiar appropriateness in connection with the large balance derived from the administration of justice. The ministerial establishments are, moreover, very inadequate and greatly require strengthening both as regards pay and status. I would express the hope that some portion of that surplus may be devoted to the purposes I have indicated.

"My Lord, I have now come to the conclusion of the observations I felt it to be my duty to address to Your Excellency's Government. I have purposely dealt with matters of domestic and internal policy. These are matters which I am aware from the perusal of Your Excellency's utterances that you have deeply at heart. The people of the country have every expectation that Your Excellency's term of office will be identified with large and statesmanlike measures of internal development and expansion. The consideration of the domestic needs of India is urgently demanded. I do not exaggerate when I say that the promotion by Government of such a policy will be hailed with every manifestation of approval and of support. It is because I know that the public mind is much concerned at present with these topics, that I have tried, to the best of my ability, to represent their views, and to indicate some of the directions in which encouragement might be afforded and reform introduced; and I hope and trust my efforts may meet with favour and attention at the hands of the Government of India."

The Hon'ble MR. REES said:—"My Hon'ble friend Sir Griffith Evans lately had occasion in this Council Chamber to refer to the Presidency to which I have the honour to belong, and with his pleasant humour, he called it the blessed Arcadia. It is not a Member from Madras who will deny that such arcadian features as are common to prosperous and well-governed agricultural [illegible]tries are exhibited in the Southern Presidency, and if my Hon'ble friend [illegible]rs such characteristics are especially conspicuous in the South I shall [illegible]l with him, though we have too many lawyers and too much litigation

for the parallel to be complete. But I disclaim any responsibility for the faith that is in my Hon'ble friend Mr. Smeaton, who appears to think that Madras is a land so overflowing with milk and honey that any class of its inhabitants privileged, like the Christians of the Coast, in that behalf, should take almost a pleasure in the payment of an additional impost. I have said nothing by way of concurrence in such a creed.

" Admissions, however, partake of the nature of indiscretions, and it would be difficult for me, after what I have said, to enter on any adverse criticism of the Budget. I cheerfully, therefore, leave all that to my Hon'ble friend Mr. Ananda Charlu, who possesses, if I may say so in his presence, the rare gift of being able to treat controversial subjects in an equally forcible and genial manner. I am, however, glad to see that the Hon'ble Finance Minister, with his latest official breath, also makes some admissions regarding our Presidency that are pleasant reading to my Hon'ble friend and myself. It shows 'a very progressive revenue, rapidly increasing up to the famine year, which only temporarily interrupted the advance.' With Bengal, 'it shows the largest increase under assessed taxes due to progressive revision and general improvement in the administration.' Again, 'the revenue in Madras is improving in the manner characteristic of the Province.' To quote more might appear vain-glorious, and enough has been said to show that Sir James Westland shares that appreciation which in his heart every Finance Minister must have of the well-paying Presidency of Madras. In consideration, however, of the strain upon its resources resulting from plague and famine, and by way of free grant, upwards of 15 lakhs in all are contributed by Imperial to Provincial in 1898-99, and a grant of upwards of 6 lakhs is made for next year's direct famine and plague expenditure. Whether or not we are arcadian, we are certainly practical, and no part of the Budget interests Madras more than the Railway chapter.

" Now that the East Coast Railway is completed, and the Bezwada-Madras line is open, a suitable provision of twenty lakhs is made for the Godavari bridge, after the completion of which the railroad will be continuous from Cuttack to Madras.

" Of the large grant of Rs. 1,77,00,000 provided for the Bengal-Nagpur Railway, the lion's share will be expended on completing direct connection between Cuttack and Calcutta. When this is accomplished the question of the agency or agencies to be employed for working the whole length or sections, as the case may be, of the line, and the question of rates, will have to be decided, and the legitimate claims of Madras commerce will require careful consideration. In addition to the many and large interests already concerned, it is probable that in future fine salt, fit to compete with that of Cheshire, will be manufactured in large quantities on the Coromandel Coast.

" Ten lakhs are provided for Madura-Paumben, and seven lakhs for the Tinnevelly, or British portion of the Tinnevelly-Travancore Railway. The Durbar has accepted the proposals of the Government of India, preliminary work is in progress on the British section, and will, no doubt, be commenced on the Durbar's section in the financial year which begins next week.

" The Shoranore-Cochin Railway is entered in Appendix C, and the estimate at ninety lakhs. It has, however, moved up and its circumstances have altered, for the commencement of work has actually been sanctioned on the first thirty miles, and, as the line is to be constructed on the metre gauge, the cost will probably not largely exceed fifty lakhs. His Highness the Raja is prepared to find the funds and nothing is likely therefore to delay action.

" Not much longer will the rich and interesting States of Travancore Cochin be cut off from the rest of India, and their present enlightened

will long be remembered for the encouragement they have given to great works of all kinds likely to increase the prosperity of their people.

"The Ammayanaikanur-Guruvanuth Tramway is not so long as its name would imply. Though short (75 miles), it is, however, by no means unimportant, as it will open out two important planting districts and a large tract of plain country. That the Government of India should have approved this line is satisfactory, and, as its construction by a private company is contemplated, there is nothing apparently to prevent its speedy completion if private enterprise proves, as there is every probability of its proving, equal to the occasion.

"For the Calicut-Cannanore extension twenty lakhs are provided. Orders have, it is understood, issued to commence work, and the line will be constructed as a light broad gauge line capable of conversion, if required, into metre gauge.

"All these railways, with the localities to be served with which I am well acquainted, will prove of the utmost advantage to the people, the Government, and to important interests concerned, and by expediting their construction the Government of India will contribute in no small degree to strengthening that conviction of the identity of its aims and interests with those of Local Governments, which should always obtain. When in addition the Nilgiri Railway is opened to traffic, and extended to Ootacamund, an extension already approved, and when the various protective light lines recommended by the Madras Government have been constructed, the people of the Presidency will be fairly well provided with railways, though there are others which would no doubt pay, and should, if possible, be constructed. The present Governor of Madras is the first who has travelled by rail from Calcutta to his capital, and I hope, and the inhabitants of Southern India hope, Your Excellency will be the first Viceroy to take the train to Travancore over the hills at the end of the Peninsula, to return by rail from Cochin to British India, and possibly even to travel on by the metre gauge all the way to Bombay.

"Among the more important decreases in revenue noticed in the Revised Estimates, Madras is responsible for one due to the fall in the sales of land benefited by the Peryar Irrigation Scheme. The Government of Madras has been, and is, busily engaged in investigating this matter, and it is earnestly hoped that the scheme will ultimately prove as remunerative as was expected. Careful revenue estimates were made before it was commenced, and it is altogether too early yet to say that they will not be realized. All that caution and circumspection in the extension of irrigation which the Hon'ble Sir Arthur Trevor and His Honour the Lieutenant-Governor declared to be so necessary on the occasion of the Budget debate of 1897 were exercised before this great work was undertaken.

"The completion of the Bangalore water-works is a matter for congratulation, not only to Bangalore and the Mysore State, but to all Southern India, which is interested in the well-being of that favoured city.

"To Madras proper it is most satisfactory that the Budget estimate of land-revenue charges includes an increase of Rs. 3,87,000, for the too long postponed improvement of the position of taluq and village establishments, a very important measure, and the extension of survey and settlement.

"Your Excellency has already stated how important you deem it that European capital should be attracted to this country. I venture to say that if the Government of India can see its way to allowing extradition, or making some arrangement of the like nature, between the Madras Government and the neighbouring Protected States, in regard to breach of contract, a useful step in that direction will have been taken. Since I endeavoured in vain to bring this about when the Extradition Act was under amendment in 1896, the planters have

been proved by the publication of the report of the South India Planters' Enquiry Committee to be, as down South we all knew them to be, just and generous employers of labour, and they really suffer undeserved, and in some localities not inconsiderable, loss under the existing law. Whether or not the far greater loss they suffer from the appreciation of silver is merely temporary, this loss at least is constant and preventible. The planters are confident that they, like other producers, will receive the sympathetic attention of Your Excellency's Government.

" In like manner any simplification of rules, delegation of authority, and relaxation of restrictions imposed in regard to mining applications, and any action tending to lessen the disheartening delays, which are under the present system unavoidable, would greatly assist Local Governments in encouraging the introduction of foreign capital.

" The remarks made last year by my Hon'ble friend and predecessor Mr. Nicholson, an eminent authority, regarding the development of rural banks, derive additional weight from those made just now on the same subject in the House of Lords by Lord James of Hereford, when introducing the Money Lenders Bill. The Duke of Argyll has also given the movement his support, and in this country, far more than in England, is the adoption of some system similar to the German loan banks, for developing co-operative rural credit, worthy of the attention of Government.

" Finally, I would add my congratulations to those of my Hon'ble friend the Maharaja. I have heard the Finance Minister described as an incurable optimist, but it does not now appear that he has in the past taken too favourable a view of India's finances, and in view of the Budget now presented for the last year of the century, critics of this class must stand confounded."

The Hon'ble MR. SMEATON said:—" My Lord, I am not going to take any excursion into the regions of Imperial finance. My remarks shall be brief and prosaic. But I cannot avoid noticing two salient and encouraging features of the Hon'ble Financial Member's lucid statement. The first is the steady relief being given to the Indian revenues from the burden of debt. The interest now charged against Indian revenues is not very much more than one-half of the amount charged twenty years ago, and this very satisfactory improvement is due to the progressive earnings of the railways and irrigation works which have been constructed from borrowed funds. The remarkable recovery of earnings made by these railways in the year just closing shows how the burden of debt continues to be lightened. The next feature is the satisfactory expansion of the salt-tax and the concurrent cheapening of salt to the people of India. The duty is now lower (except in Burma) than it was twenty years ago: the extension of railways has brought down prices to a figure which could hardly have been anticipated; the pressure of the salt-tax is now much lightened. I think, my Lord, that these two features of the situation disclosed in the Financial Statement are most encouraging. The Hon'ble Sir James Westland has announced that, notwithstanding the substantial surplus of the year now closing, Your Excellency's Government does not propose to make any remission of taxation at present. This announcement will probably prove unpalatable, but I cannot help thinking that the decision of Your Excellency's Government is sound and right, not only, although largely, because, as the Finance Minister says, it is necessary to maintain a strong financial position in view of pending currency reform, but also because, I think, it would hardly be safe for a prudent Government to relinquish any important sources of revenue on the faith of a surplus of one single year. The instructive analyses of comparative surpluses of two periods given by the Finance Minister in paragraphs 69 and 70 of the Statement, coupled with the anticipated surplus of

1899-1900 (even at the modest rate of exchange adopted at 15¾*d.*), indicate a hope that perhaps within a measurable period of time Your Excellency's Government may be able to consider favourably the question of abolition or reduction of certain forms of direct taxation.

"It has been a pleasure to me to notice that the Finance Minister has, in Sections II and III of the Statement, given as many as nine good conduct marks to Burma—more, in fact, than he has bestowed on any other province; and I hope that in consideration of this good behaviour of the province—certified by one so hard to please as Sir James Westland—Your Excellency will permit me to make a few observations in the interest of the trade of Burma.

"The majority of the Burmese are agriculturists, but every man and woman is a trader, and a keen trader, notwithstanding that (as the Financial Member will now probably admit) he does not love and won't use currency notes. Agriculture in the province is satisfactory, cultivators' profits are good, sometimes handsome: the Government advances are taken with alacrity and have, I am glad to say, already caused a sensible reduction in the rates of interest charged by money-lenders. The programme of assessment of land in Upper Burma has been, partly at least, satisfactorily settled at last. Railway and road extensions are progressing fairly, but hardly perhaps so well as might be wished for. There are many remote land-locked tracts which need to be opened out: and one very costly line—the Mandalay-Kunlon—is not likely to be either commercially or financially a success at least for a long time to come. I am glad to learn that sufficient funds have at last been provided for an adequate construction programme during the coming year. The Provincial Contract with the Supreme Government is liberal, and I hope it may continue so. Now, my Lord, to come to the matter in regard to which I solicit a concession. It is not the rice export-duty that I suggest should be remitted—for the very good reason that it is paid, at present at least, by the consumer—that is to say, the foreign consumer: and I cannot conceive of any more legitimate asset than the tribute paid by foreign consumers of products of our own provinces. The Burma cultivator occupies a strong position and practically commands his own price within the usual limitations imposed by custom and trade: his rice has, I believe a special 'ticket' in the markets of the world; he is very independent, and long may he remain so. It is not he, therefore, who pays the duty; he makes the foreign consumer pay it. Germany is a large consumer: thousands of tons of Burma rice are imported into her ports—Bremen, Hamburg and others: and this rice emerges from these places in the form, I believe, of Lager beer, and I am told, good old Scotch whisky made in Germany. It seems to me that the Government of India may well congratulate itself on recovering the duty on the rice from these foreign distillers and other consumers. Of course the tables may be turned and serious competition may arise with the rice of Japan, Siam or French Cochin China, in which case the duty may be shifted on to the shoulders of the Burma producers. When this change takes place it will be justifiable to abolish the duty so as to place the Burmese producer on equal terms with his rivals. But that time is not yet. It is not, then, the rice export-duty in regard to which I have to ask indulgence. It is in regard to the management of the large rice trade. Difficulty is sometimes experienced in Rangoon in financing the enormous rice trade aggregating 10 to 12 crores of rupees. The Government balances in the beginning of the export season amount to about 2½ crores of rupees. These large funds are made over, by arrangement, to the local Presidency Bank—the [illegible]k of Bengal—at a fixed rate of exchange; and I may say, parenthetically, Ba[illegible] far as I know this arrangement is confined to Rangoon. The Comptroller G[illegible]eneral refuses to sell transfers of funds on Rangoon to the commercial

public, who are thus compelled to make their remittances through the Bank of Bengal at enhanced rates. The Comptroller General does sell transfers on Bombay, Madras, and even Karachi : and it seems a little hard that the Rangoon commercial public cannot have the same advantages and facilities as Bombay, Madras and Karachi—so long, that is to say, as funds are available in Rangoon. The result of the present (I think I may call it without impropriety a monopoly) arrangement and of the measures naturally taken by the Bank of Bengal to make profitable disposal of the Government balances is to create sometimes an artificial stringency in the local money market to the detriment of trade. I would venture to suggest that either a share of the Secretary of State's Council Bills be issued for sale in Rangoon during the busy season when funds are available to meet them, or that the Government balances be thrown open to the commercial public in Rangoon just as they are in Bombay, Madras and Karachi, by sale of transfers. During the latter part of the year, when bankers, chetties and others are remitting their surpluses back to India, the Comptroller General sells transfers on Calcutta and Madras. The mercantile public naturally ask why, when the Comptroller General reverses the operation, they should alone be debarred from getting transfers on Rangoon when funds are available. The result of either of the alternatives which I have suggested would be greater ease and certainty in financing the large rice trade at the most critical season. As I have already said, trade in Burma is universal, and the prosperity of the province is very much bound up with trade. Facilities and conveniences given at the ports will re-act favourably on trade in the interior. Burma occupies a unique position, geographical and political—the bridge between the near East and the far East, and the outpost of the British Empire abutting on the Chinese and Siamese frontiers and on the frontier of a French dependency. In certain eventualities Burma may be of great help and use to the British Government, and if she is to be in a position to be of use and of help she must be as prosperous and as strong as possible. There is no better way of achieving this end than by fostering the trade of the province; and I therefore hope that the suggestions which I have ventured to make will receive the favourable consideration of Your Excellency's Government."

The Hon'ble MR. SPENCE said:—"I did not intend to interpose in this debate, but on behalf of the unfortunate Presidency which I have the honour to represent I should like to make a very few remarks. Anybody who has read the Financial Statement will see that the Presidency of Bombay is in a most parlous condition as regards its finance. We start the year without any balance at all, and we are practically left on the charity of the Government of India. There may be difference of opinion as to the bountifulness of the charity which has been doled out to us, but on the whole perhaps there is no reason to complain. When you have no money to spend and everything has to be cut down as far as possible, no improvements can be carried out, and all useful works are likely to deteriorate. I trust that before the Finance Minister leaves the country he will pass on to his successor a good word on our behalf that we shall be treated in the future as generously, or perhaps more so, than we have been in the past."

The Hon'ble NAWAB FAIYAZ ALI KHAN said :—"My Lord, it is naturally gratifying, both to the Government and to the people, to find that the calamities of war and famine, plague and earthquake, which, so to speak, had all conspired together to embarrass the finances of the Government during the years preceding the year now coming to its close, have happily all taken leaving behind the plague alone; and I must sincerely congratulate the

the Finance Minister that, along with a deficit of Rx. 5,360,000 at the close of 1897-98, he has been enabled to declare a realized surplus of Rx. 4,060,000 only one year afterwards and to estimate a further anticipated surplus of Rx. 3,930,000 in the Budget for 1899-1900, which two items added together more than cover the heavy deficit incurred during the preceding year.

"My Lord, the most encouraging feature of the Financial Statement, the preparation of which is a task of very great difficulty, is that, the financial position of India being good, it will not be necessary for the Government to raise a loan to meet its necessary expenses.

"With so many cheering signs of returning prosperity now before our eyes, it is most discouraging, however, my Lord, to find that the dire epidemic is not only still continuing to make fearful ravages in the Bombay and the Madras Presidencies, but, to our dismay, has also made its appearance in this metropolis of India.

"With peace on the North-West Frontiers and the consequent little provision in the Budget for warlike operations, it would have been unmixed good had the Government had on this occasion the satisfaction of declaring that no provision was to be made for plague operations, as there existed no such thing in the country. Unfortunately, however, my Lord, such is not the case. But I feel sure, and this feeling is, I believe, shared by everyone present here to-day, that no one more sincerely regrets than Your Excellency that with plague still doing havoc in the country it should have been found necessary to provide the large sum of sixty-one lakhs of rupees to prevent its spread.

"In this connection, my Lord, I may be permitted to state that, as far as I have been able to judge, the measures adopted by the Government to prevent the spread of plague to the uninfected parts are the only effective measures that could be adopted with any chance of success.

"My Lord, I feel that I should not conclude this theme here without expressing my gratitude to the Government of India and to our Lieutenant-Governor, Sir Antony MacDonnell, for organising vigorous measures to prevent this dire calamity. I find that more than one and-a-half crore of rupees will have been spent on these operations from the date of the arrival of the plague in India to the end of the next year; and I feel no doubt that the people of the North-Western Provinces and Oudh, who have so far remained almost safe, feel sincerely grateful to the Government not only for the large sum which the Government is spending on this head, but also for the modifications in the rules so wisely made to suit the state and condition of their society. That the people are gradually realizing the importance and value of these preventive and remedial measures and have begun to appreciate the benevolent intentions which induced the Government to adopt them, is sufficiently clear from the non-occurrence of the disastrous riots which unfortunately took place in some parts of the country during the early days of the outbreak.

"I pass on now to famine. That, my Lord, as observed by the Hon'ble Sir James Westland, 'is now little more than a memory, its effects being obliterated by the return of prosperous seasons.' But the Hon'ble the Finance Minister draws one lesson from the fact of the wonderful recovery of the country from the effects of the late famine, a lesson by which I have no doubt the Government have profited:

'I cannot however, pass on from this subject,' says the Hon'ble Sir James Westland, 'without deriving from it one lesson which it seems to me to afford, namely, that the margin between prosperity and adversity in India must be a very narrow one; for if we have learned that one bountiful harvest suffices to restore the country after a widespread and severe famine, we have learned also that the failure of the seasonal rains in a single month of the year is sufficient to set back a full tide of prosperity, and that this is a possibility which in the administration of India, and in its financial administration especially, we dare not leave out of account.'

"Now, my Lord, in my humble opinion, there are only two means of securing India from the effects of famine, namely, (*1*) extension of railways, and thus improving the means of import and export, and (*2*) extension of canals, and thus adding to the facilities of irrigating land which for want of rains might remain uncultivated.

"My Lord, opinions differ as to which of these two things is more useful and serves better purpose in time of need. But I am not inclined to enter into any elaborate discussion as to the merits of the arguments advanced by both sides in support of their respective theories. Speaking entirely for myself, I am free to say that, in my opinion, both are equally useful and both can add materially to the prosperity of this country.

"As regards railways, I note that on the 31st March, 1899, the total length of open lines of railway will be 22,650 miles; and there is no halt to the march of progress, Rx. 8,820,000 having been provided for the next year.

"The Famine Commission estimated in 1880 that in order to efficiently secure India from the effects of famine there should be 20,000 miles of railways instead of 10,000 which existed at that time. We have now more than 20,000 miles open; and the advantage of the railways has been fully proved in the recent famine. They enabled the Government to save many lives which would otherwise have been lost; and in no part of India was the mortality excessive.

"My Lord, the revenue account of railways and irrigation works is to me a most interesting part of the Budget. The net earnings of these productive works have risen within the last twenty years from Rx. 5 millions to Rx. 14 millions; and, apart from the influence of these works on the prosperity of the country and the incalculable benefit they have conferred on its external and internal trade, they have reduced the burden of debt in spite of large sums borrowed for construction.

"In the North-Western Provinces, the construction of the Fatehpur branch of the Lower Ganges Canal is now practically complete; and important gaps of railway communication have been or are being filled up. The Ganges-Gogra Doab system carried out under the auspices of the Bengal and North-Western Railway Company will open out the districts of Azamgarh, Ballia and Ghazipur; and we shall have also the Rae-Bareli-Benares line, the Moradabad-Ghaziabad Railway, the railway from Hardwar to Dehra and from Shikohabad to Fatehgarh—all important and useful lines.

"My Lord, before passing on to the consideration of the question of the remission of taxes, I may be allowed to express here the feelings of gratitude of the people of the North-Western Provinces and Oudh to our Lieutenant-Governor, Sir Antony MacDonnell, for the complete and successful organisation of his measures of relief during the late famine. Personally His Honour was indefatigable, and his own earnestness in the cause of the suffering and the high ideal of duty set by his own example infused a new spirit in others who worked under him. The success in combating the famine in the North-Western Provinces was due to his own organization, aided no doubt by the large sum of money which the Government of India placed at his disposal. And the people cannot easily forget his sympathy with them at such a hard time.

"My Lord, having made my observations in regard to the points that occurred to me, it should now have been my pleasant duty, in view of a fairly large surplus realized and another surplus likely to accrue in the coming year to urge respectfully, on behalf of the people whom I have the honour to represent, upon Your Excellency's Government the desirability of remitting some of the taxes, particularly the special rate of 2 per cent. on the revenue levied on

account of famine insurance from the owners of land subject to periodical assessment. But I have refrained from urging any such request upon Your Lordship for the simple reason that it has already been decided—and I think wisely—not to propose to remit any taxes at the present time.

"The country, my Lord, it is true, has recovered from the effects of the late famine wonderfully well, but it is only just recovering and has not recovered completely; for who does not know that the threatened failure, partial though it may be, of the crops in some districts in the Central Provinces, may result in scarcity, if not in actual famine; and the Government may have to undertake measures of relief on an extensive scale.

"With measures of currency reform still expected, with plague still continuing to expand and develope, and with threatened scarcity—if not actual famine—still staring us in the face in some of the districts in the Central Provinces, it is obviously desirable to maintain as strong a financial position as possible; but I hope that when the anticipated surplus is realized, when plague and famine disappear altogether, and when the stability of the exchange value of the rupee has been secured, the Government will find themselves—I hope at no distant time—in a position to remit some of the taxes which press hardest on commercial and landed interests. Indeed, I have no doubt whatever in my mind that nobody would be more earnest than Your Excellency in acknowledging the desirability of proposing these remissions when the time of solid prosperity arrives.

"To sum up, any proposals of this kind should, I think, be entirely left to the Government; for we must know that they would not continue a pice of any of the undesirable and unnecessary taxes as soon as their financial position is placed on a firm and stable basis.

"My Lord, before I conclude, I beg Your Excellency's permission to say a few words which will refer to you personally.

"Your Excellency's assumption of the exalted office of Her Majesty's Representative in India under exceptionally favourable circumstances, is a happy augury of the welfare and progress which this portion of Her Majesty's Eastern dominions is likely to achieve during the five years of Your Excellency's *regime*. Your Excellency's personal experience of Indian thought and politics, and your thorough knowledge not only of the constitution of Eastern society but also of Eastern prejudices, will, we feel sure, help Your Lordship in the administration of this country; and guided as you will no doubt always be by your keen sympathy for the people of this land—that sympathy of which we have had ample proof during the short period that has elapsed since Your Excellency took over the charge of the arduous duties of the Viceroy of India—we feel confident that India will continue the march of progress and will continue to enjoy the blessings of peace, prosperity and contentment."

The Hon'ble MR. MEHTA said:—"A surplus, my Lord, like charity, covers a multitude of sins, especially when coming on the top of years of great anxiety, distress and deficit. Any attempt to moralize on the uncertain and deceptive character of the present smiling appearance of Indian finance—like unto Dead Sea apples, goodly to look at but not quite sound at the core—would be drowned in the general chorus of congratulations. But to do my Hon'ble friend justice, he has himself sounded the right note of warning, lest we forget, and pointed out that while the present prosperous Statement sets out a very favourable condition of finance, some of the favourable elements are temporary only, and the extremely rapid recovery of the financial position is in itself a warning that the possibility of sudden reversal of the tide of prosperity (which the failure of a single month of seasonal rainfall has proved sufficient to effect) can never be left out of account in the

financial administration of India. These are words of wise warning from one with whom it is possible to differ on many points, but whose ability and intimate knowledge and experience of Indian finance are beyond question. It is possible to emphasize this warning still further. If a *diabolus advocatus* were asked to pick holes in the character of this surplus, as it is said he is called upon to appear and pick holes in the character of a saint before his canonization, a verdict altogether in its favour might not be quite easily won. Of the improvements on the estimates for the year now expiring, amounting to Rx. 3,870,000, gain in exchange accounts for Rx. 1,070,200. Now, though I know that the idea that this gain is only a very indirect form of taxation is scouted as utterly unfounded and untenable, still it is very difficult to believe that it is a golden shower from the skies and that it does not ultimately come in some way from the pockets of the people, perhaps of the agricultural classes, or, at least, that they are not better off by that amount as they otherwise might have been. Another important item of increase is that of the collection of land-revenue. It is a remarkable fact that suspensions of land-revenue owing to famine have been realized very nearly to the full extent in the very next year after it ceased, with the advent of the first good season. This phenomenon has been read as testifying to the astonishing recuperative power of the agricultural population. But signs have not been wanting to show that a portion of this phenomenon at least is probably occasioned by the rigidity with which revenue assessments are collected under a rigid land-revenue code which has completely done away with the interference of the Civil Courts even to the small extent to which it formerly existed. I know that my Hon'ble friend asserts that this rigidity, which was incautiously admitted by Sir Theodore Hope in this Council, was only a condition of things which existed eighteen years ago, and that the Government of India had since applied effectual remedies. I should like to know what those effectual remedies are, so far as the Bombay Presidency is concerned. Speaking in 1891—which is not eighteen years ago—the Commission appointed to enquire into the working of the Dekkhan Agriculturists' Relief Act reported that 'there could be no question that the rigidity of the revenue assessment system is one of the main causes which lead the raiyats of the Dekkhan into fresh debt.'

"When the amendment of the Dekkhan Agriculturists' Relief Act was undertaken in this Council in 1894-95, it was found that the Bombay Government, or rather the Revenue-officers, resented this part of the report as the ignorant meddlesomeness of strangers from other Provinces who were incompetent to appreciate the beauties of the Bombay revenue system. Though it is open to Revenue-officers to grant remissions and suspensions, and though the Government of Lord Ripon impressed upon the Local Government the propriety of active well-judged moderation in this behalf, the rigidity and inelasticity of the Bombay system continue unmodified. I do not think it right to abuse the latitude which the President of the Council allows on the occasion of the discussion of the Budget by enlarging further upon an incidental topic. I have referred to it for the purpose of showing that, under these circumstances, it is not a matter of unalloyed congratulation that suspensions of land assessment have been so largely recovered within the very next year of the cessation of famine and scarcity, and have contributed to swell the surplus of the running year.

"Large as this surplus is, it is a matter of surprise that the Financial Member has not adverted to a circumstance in which it would probably have been much larger. It was so far back as May, 1895, that the Royal Commission on Indian Expenditure was appointed. It finished the work of taking evidence in July, 1897 ; and there has been a sanguine feeling throughout the country that a strong case for an adjustment of burdens favourable to the Indian Exchequer

had been established. But, after weary waiting for close upon two years, the end seems to be as far off as ever, and nobody can say when the consideration of the report will be taken in hand. It is impossible not to deplore this extraordinary delay, fraught as it is with possibilities of mischief in stimulating imaginary suspicions and suggestions as to its real cause.

"The surplus would have again been larger if the action of the Government of India had not lost to the country a contribution from the British Exchequer on account of the late war on the Frontier. Such contribution was due to India, not as a matter of charity, but as a matter of just and equitable right in the distribution, to put it at the lowest, of joint Imperial burdens, exactly as they had been recognized on previous occasions. The financial independence of India does not require that it should not claim and receive its share of partnership burdens from the predominant partner, just as that partner, for example, claims and receives every farthing, and perhaps more, of the cost of the army while doing duty in India.

"It is too late, however, to cry over spilt milk; and, in dealing with the surplus such as it is, the proposal to devote a small portion of it to the necessities of the famished Provincial Exchequers cannot but meet with unanimous approval. But, my Lord, I trust I will not be charged with the meanness with which Oliver Twist was always asking for more, if I urge that the Presidency from which I come is not treated with that full justice which it deserves. I do not for a moment grudge the thick slice which Bengal has managed to obtain of the pudding, though I admit we are somewhat jealous of its opportunities to whisper in the ears of His Excellency the Viceroy in Council and his Finance Minister from one side and the other. I am sure I wish it joy of all that it has known to extract from the clutches of the jealous guardian of the Imperial Exchequer. But it cannot be denied that the Bombay Presidency has been far more sorely and grievously tried by plague and famine combined than the Presidency of Bengal. But while Bengal gets the same grant of 15 lakhs of rupees as Bombay, it is in addition to the assistance undertaken to be given towards the European General Hospital at Calcutta, which, I believe, means a further grant of 10 lakhs of rupees, and also in addition to a further sum of 2 lakhs as mentioned in paragraphs 51 and 60 of the Budget. It therefore comes to this, that the more stricken and more distant province gets only 15 lakhs, while her more fortunate sister secures 27 lakhs. My Lord, the Bombay Presidency deserves better and more liberal treatment than this. I will very briefly and rapidly state a few facts which will show that this is not an unjustifiable claim. As the Council are aware, the system of Provincial contracts was instituted by the Government of Lord Mayo in 1870. The arrangement then made was a very tentative one and limited in its scope; but it achieved such a measure of success that in 1877 the present system of quinquennial contracts was designed and the limits of the arrangement were considerably enlarged. It so happened, however, that the commencement of the second Provincial contract (1877-1882) was conterminous with the great famine of 1877, which exhausted the resources of the Provincial Government at the very outset so completely as to compel the Government of India not only to bear the greater part of the burden of relief, but even to find money for the Provincial Government to go on with—a situation very similar to the one which the Province has had recently to pass through. I beg the attention of the Council to the way in which it was thought right, under such circumstances, to deal with the Presidency when the time came in 1882 to make a fresh contract. Though by that time the Provincial Exchequer had recovered itself to a considerable extent, the Imperial Government thought that it was a proper and fitting occasion to grant it more than usually favourable terms. This liberal policy had its own reward. At the close of the third contract

in 1887, the Presidency had built up a surplus balance of 32 lakhs of rupees beyond the irreducible minimum of 20 lakhs for working balance which it was required to maintain. This was a little too tempting for the Imperial Government, and when the fourth contract was revised in 1887-88, the shears were pretty closely applied, and it cut from the Provincial assignment a sum of 22 lakhs a year—a sum which, as the Hon'ble Mr. James pointed out the other day in the Local Council, represented one-third of the entire grant resumed from the whole country altogether. The result was that Bombay contributed 110 lakhs during the five years of that contract. This was followed in 1890-91 by the levy of a special benevolence of 17½ lakhs. When the contract was next revised in 1892, Bombay had to yield 13 lakhs a year out of 47 lakhs resumed from all the Provinces, or nearly one-third of all India's contributions, that is to say, 65 lakhs during the period of the fifth contract. As it is the most loyal and patriotic who are most expected to bleed for their country, I think it will be admitted that Bombay was made to bleed pretty freely to maintain its high reputation for those admirable qualities. The least that it could have expected under these circumstances was that, when it was overtaken by dire distress and misfortune, it should have something better than what Job got from his comforters. The close of the fifth contract found Bombay plunged in an unprecedented combination of calamities. Famine and plague joined their forces. No wonder that its treasury was soon depleted. The sixth or current contract has been now settled on the same terms as the last, though the Government of India delayed its settlement till the second year in the hope that they might be able to screw out, as on previous occasions, a further annual contribution of at least 10 lakhs. It is true that the bulk of the famine expenditure has come from the Imperial treasury, as it was bound to do on the exhaustion of the Provincial resources. But, even so, the new contract leaves the Presidency in a situation of great gravity. I will not trust myself to describe this situation, but will rely only on official sources. In presenting the Financial Statement last August, the Hon'ble the Revenue Member said:—

'For the first time since the famine of 1877, the year opens with a balance of *nil*. Negotiations have been in progress with the Imperial Government regarding the final assessment of plague and famine charges; and the present position is that the Imperial Government have undertaken the whole cost of the famine operations and have granted this Government special contributions of Rs. 9,91,000 in 1897-98 and Rs. 7,00,000 in the current year in recognition of plague expenditure; they have, however, refused to place at the credit of this Government any sum for the reconstitution of the Provincial balance, and have directed that, with the assistance of such recoveries as are due from local funds on account of famine charges borne by general revenues, this Government must build up its balance to the prescribed minimum of 20 lakhs by savings from current income—a laborious and thankless task not easy of accomplishment.

'The process of exacting recoveries from local funds is likely to be slow, and in the current year the sum expected to be derived from such recoveries amounts to Rs. 79,000 only. It has been necessary to enforce economy upon all departments with what cannot fail to be regarded as ruthless severity, and in particular to reduce the grant for Civil Works to a point which forbids the entertainment of new projects and barely suffices for the prosecution of works in hand. It is obvious that the Budget herewith presented to the Legislative Council can only be an object of melancholy contemplation.

'The Local Government is financially, to use a nautical phrase, on its beam ends. Its own resources are exhausted and it has to subsist for the present on the charity of the Government of India. The outlook is unpromising, and it is to be feared that for years to come attempts to improve the administration, to provide the additional staff and establishment so urgently needed in more departments than one, and to promote the progress—material, educational and other—of this Presidency will be most seriously crippled, if not rendered impossible, by the lack of the requisite funds.'

"In the debate that took place on this Financial Statement, the Hon'ble Mr. James, then temporary Member of Council, gave a humorous instance of the straits to which Government were reduced.

'I am not sure,' he said, 'that my Hon'ble friend the Legal Remembrancer would not hold that we have really laid ourselves open to the criminal misappropriation clauses of the Indian Penal Code. It is a fact that a subscription of Rs. 17,000, which Government promised to double, has been credited in our revenues and swallowed up, and if we were asked to produce it, much less the corresponding grants promised, we could not do so, at any rate at the present moment.'

"But it is more serious to contemplate that the Civil Works grants were reduced from by no means the high average of 36 lakhs to less than 27 lakhs (actuals) in 1897-98 and to 29 lakhs in the budget for 1898-99, but which was to be further reduced. The above forecast was made in August of last year, when there was some lingering hope that we had seen the last of plague. But unfortunately we have been visited with another outbreak as, if not more, severe than the last. In view of the whole situation, I do not think it can be said that, in the negotiations for the new contract, the Bombay Government were asking anything excessive when they asked the Government of India to increase their assignment by 13 lakhs a year, that is to say, 65 lakhs for the period of the contract. But the Government of India were inexorable, and they thought they had done quite enough when they reluctantly refrained from shearing off the 10 lakhs a year they had set their hearts on. Now, while the Government of India were supposed to be in dire straits themselves, it was possible to extenuate their hard-heartedness to the Provincial sheep, though it made their refusal of a contribution from the British Exchequer less excusable. But with a surplus of 4 crores and 76 lakhs for the closing year and an estimated surplus of close upon 4 crores for the Budget year, I submit that the Presidency is entitled to be placed in a normal position throughout the whole of the contract period. Instead of that, what we find is that, as stated in paragraph 57 of the Budget, even after receiving a further grant-in-aid of about 22¾ lakhs, the Province will be left, on 1st April, 1899, with an opening balance of *nil*. The only further relief that is given is a grant of 15 lakhs in the accounts of the year 1898-99, that is to say, out of a surplus of close on 4¾ crores, and the same amount (less the excess expenditure already provided for in the Provincial estimates), an uncertain sum, in the Estimates of 1899-1900, out of a surplus of close upon four crores which is likely to be much more as the rate of exchange has been taken a farthing less than might be reasonably anticipated. I have pointed out above how this relief is considerably less than that granted to Bengal under less afflicting circumstances. But, independently of such a consideration, I venture to submit respectfully that wisdom and justice and liberality all require that the overflowing Imperial Exchequer should set up the Province on its legs again, firstly, by taking up all direct plague expenditure; secondly, by making grants sufficient to restore to their normal health the departments that have been starved so long and have grown so lean; and, thirdly, to start the Province with the minimum working balance of 20 lakhs. To treat plague expenditure as anything but Imperial would be both a hardship and an injustice. It has been regulated by Imperial considerations, has been incurred under Imperial directions, and has been disbursed under Imperial agency. In the case of the smaller municipalities living from hand to mouth, their income is absolutely inadequate to meet the burden, and they can discharge it, even gradually, only by sacrificing all sanitary progress for years to come. Even in the case of a city like Bombay, supposed to be wealthy, the large surplus balance it had carefully built up is swallowed up; it has had to undertake the liability of paying 5 lakhs a year in addition to large revenues from many valuable properties for the improved reconstruction of the city, and it is now levying the maximum rates which it is entitled by law to levy. I may add that Bombay is the only

city in all India which is compelled to pay three-fourths of the cost of the city police, amounting to over 5 lakhs of rupees, which was first imposed on it on the understanding that a uniform system would be introduced over the whole country, under which every town would pay for its own police, but which was continued even when the introduction of a uniform system was abandoned. Neither Calcutta nor Madras bears a similar burden. The only just course under such circumstances is to treat the calamity as a visitation of Providence, for which no part of the country should be made to suffer by itself, and to regard all plague expenditure as a joint liability on the general revenues. With regard to the restoration of Civil grants to their just requirements and the provision of a minimum working balance, it has to be remembered that the mischief done in the last two years has to be repaired. To take one instance only, the expenditure on Civil Works had to be curtailed to 26 lakhs, when, as I have pointed out above, it should have been something like 36 lakhs. Such curtailment does not only mean multiplication of future liability, but it also involves the necessity of making good the deterioration caused by delay. It seems to me that, when the Bombay Government asked for an increased annual assignment of 13 lakhs, they were asking for nothing more than what was essential for the welfare and progress of the administration under their charge. If it was not possible to accede to their demand in a time of trouble and deficit, surely now that there is a large surplus it is but fair that the Presidency should be now placed in a position in which it would have been if the necessary increase had been allowed in the settlement of the current contract. Nothing is more ultimately paying to the Imperial Exchequer than investments in the growing welfare and progress of the different Provinces. I may assure my Hon'ble friend that no congratulations on the prosperity Budget which he has presented to the Council will be more fervent or sincere than those of a Province grateful for being called upon to share that prosperity and for being furnished with the means of recovering its lost health and vigour after having suffered so long and so grievously as the Bombay Presidency has done."

The Hon'ble MR. ALLAN ARTHUR said:—"My Lord, I would congratulate Your Excellency's Government and the Hon'ble Sir James Westland on the prosperous condition of the finances of India, as disclosed by the Budget. That he can hand over to his successor the portfolio of the finances of India in what may be termed a 'record' condition after the peculiarly troublous times of the last few years must be a matter of intense satisfaction to the Hon'ble Member, whose constant readiness and uniform courtesy in listening and agreeing to all reasonable demands, brought forward in the interests of commerce, I should like to take this opportunity of acknowledging on behalf of the mercantile community of Bengal.

"My Lord, when an individual becomes possessed of a large sum of money either by his own exertions, by the prosperity of his business or otherwise, the fact is generally brought home to him by the receipt of subscription books and requests to give off his wealth to others. In like manner the Government of India will probably have laid before them, sooner or later, schemes of various kinds having for their object the dissipation of part of the splendid surplus which the Budget reveals. The mercantile community of India are unanimous in pressing for a reform which has been too long delayed, and which might possibly trench to a small extent on the surplus. I am not going to ask the Hon'ble Member to abolish the income-tax. I do not forget that, when I suggested to him a few weeks ago that it was a hardship that holders of Indian securities in Engla[illegible] should be charged with double income-tax, I received from him less sati[illegible] tion than I have had on many other questions, and I fear to touch on the[illegible] again. But I agree with much that has fallen on this subject from "

the Maharaja of Darbhanga, and would hope that during the next few years it will be found possible to remit this unpopular and unfair tax—unpopular, because it is entirely unsuited to the conditions of the country and of the people; and unfair, on account of the inequality of its incidence. The point I wish to press on Your Lordship's attention is a grievance of long duration. In these days of fierce competition, the prices of all commodities have very materially declined. Values of nearly all articles of consumption are very low, railway rates have been reduced, ocean freights are half of what they once were, letters are carried between Great Britain and India for a penny, and the profits of the merchant have very much decreased. Progress and competition are responsible to a great extent for these reductions. The one charge that remains constant and has been so for nearly quarter of a century is the cost of Indo-European telegrams. The Cable Companies are the enemies of progress in this matter. They block the way, and I think it is a reproach to them that foreign telegrams should remain almost as expensive luxuries as Champagne and Havana cigars. The cost of telegraphing between Europe and India is Rs. 3 or 4*s*. per word. The charge is so exorbitant that, notwithstanding the increased trade now doing and the increase in the number of telegraphic negociations necessary to do that trade, traffic does not increase to any appreciable degree. The cause of this is not far to seek. In order to avoid being swamped altogether by telegraphic charges, the merchant at immense expense to himself has to go on improving his codes, which are becoming more nearly perfect and more ingenious every year, resulting in fewer words being used to express a great deal more than they formerly did. Private individuals, instead of telegraphing in ordinary words, have to take the trouble of preparing small private codes for the purpose of telegraphing to their friends abroad. Your Lordship will have observed how badly India is served by Press messages, how the high telegraph charges are strangling Press enterprise, with the result that this great Empire is most meagrely informed of what is going on in other countries of the world. Given a substantial reduction in the cost of telegrams, the necessity for perfecting codes will become less urgent and the traffic in mercantile cables will increase, private telegrams will become more frequent, and Press telegrams fuller and more intelligible. To induce an increase in the traffic a small reduction will be useless. The reduction in the first instance must be substantial, at least 50 per cent. This would make the cost of telegraphing Rs. 1-8 homewards and 2 shillings outwards per word. It is estimated that a reduction of 6*d*. per word would involve a loss of revenue to the Cable Companies of £50,000 per annum, and it follows that a reduction of 2*s*. would mean a loss of revenue of £200,000. The Cable Companies, not being sufficiently enterprising to lower the rate themselves, would no doubt be willing to make the reduction provided they were given a guarantee that they will not be losers thereby. The Bombay Chamber of Commerce have pointed out that the principle of State aid to communication between parts of the Empire has received definite sanction from the institution of an Imperial penny postage. In the interests of this Empire and of the merchants who have helped to build it, it is surely not unreasonable to expect the Home Government to join the Government of India in giving the necessary guarantee to the Cable Companies. But let us suppose that the Home Government refuse and that the full £200,000 may have to be paid away under the guarantee, the question arises, can the public reasonably ask the Government of India to undertake the guarantee? I observe that the Hon'ble Member budgets for a net profit in the Telegraph Department of Rx. 2,71,200, which surplus at present goes to swell the general immenses of the country, and which would no doubt be reduced to some extent by that the on in foreign telegram rates. The amount, however, is very nearly the Europe, it the guarantee required, and it can be very well argued that this net

profit might for the present be set aside to carry out this much-needed reform. Again, a saving can be reckoned in the cost of foreign telegrams on Government account, which must be a heavy item, while the small balance required to make up the full guarantee might very well come out of the general revenues of the country, as I maintain that the traders of India, not only European but also Native, will benefit directly and indirectly from the introduction of cheap telegraphy. I do not think the most timid of men would suggest that a reduction in telegraph rates by 50 per cent. would not lead to a great increase in traffic, and it should be borne in mind that while there may be a little to pay in the first instance there is every probability that in a very few years the guarantee will become merely a paper guarantee.

"The Government have a precedent for giving such a guarantee in the action taken by the Australian colonies in 1891, when the Australian-English tariff was reduced from 9*s*. 4*d*. to 4*s*., subsequently raised to 4*s*. 9*d*., the Colonial Governments guaranteeing the Cable Companies against loss. It would be interesting to have a return showing the increase in traffic between Australia and England consequent upon the reduction in rates.

"Some of the Indian Chambers go so far as to advocate an all-British cable between Great Britain and India, with a charge of one shilling or even six pence per word; but such a proposal, though eminently desirable, would take time to accomplish, while the suggestion I advocate could be carried out by a stroke of the pen.

"I have to apologise to the Council for the length of my remarks on this subject, but my excuse is that I hold in my hand telegrams from every Chamber of Commerce in India pressing the Bengal Chamber to urge the importance of this question on the notice of Your Excellency. I have further to say that so far back as 1893 the Government of India declared that 'the reduction of the tariff to India is a measure of Imperial importance.' That was six years ago and nothing has since been done. The merchants of India now ask respectfully that this measure of Imperial importance be carried out, and I can assure Your Excellency that, in any action Your Excellency's Government may take to accomplish this desired reform, you will have the unanimous and ardent support of the entire mercantile community of India.

"My Lord, I take this opportunity of referring to the question of the insufficiency of rolling stock on Indian railways, not only in the interests of producers but also in the interests of the State. That the supply of rolling stock on Indian railways generally is wholly inadequate for the requirements of the rapidly increasing trade of the country admits of no discussion whatever. The coal trade of Bengal has suffered incalculable loss by the inadequacy of traffic facilities which has been the subject of constant representations from the Bengal Chamber of Commerce. It is not my intention to go into this point in detail, but I think it is sufficient to point out that the question should be made the subject of most searching enquiry, and an immediate remedy applied; otherwise the interests of individual producers, of the railways themselves, and of the country generally will be jeopardised.

"My Lord, I am not sure if it is permissible for a Member of Your Excellency's Council to make any remarks on the Exchange question, while the question is as it were *subjudice*; but I take it that the object of the publication of the Blue Book was to invite criticism, and I think, if I may be allowed to make a few remarks, they will be found to contain no impropriety. The announcement that the Hon'ble Member, departing from the usual custom of taking the average rate of the previous year, had taken the rupee at 1*s*. for the coming financial year had an unsettling effect on people's min[illegible] the result was a feeling of weakness in exchange. This, howe[illegible] caused very much by sentiment and has proved only temporary. T[illegible]

indication at the present time that the balance of indebtedness is going against India, and under the Barbour scheme the rupee cannot fail to creep up to gold point or nearly gold point, unless the balance of indebtedness goes permanently against India. While the Barbour scheme has been slowly but surely attaining the object which its author claimed that it would, the trade of India has been hampered by periods of excessive monetary stringency. The cause of this is to be found in the fact that, while the scheme provides for a maximum rate of exchange, there is no provision to ensure that the rupee will not decline to an indefinite point.

"All who are interested in fixity of sterling exchange will be pleased to see from the Financial Statement that the Secretary of State has not only succeeded in selling £3 millions more Council bills and transfers than anticipated in the Budget Estimate, but these bills and transfers have been placed at an exchange of 1*s.* 4*d.*, the rate aimed at in the legislation of June, 1893. In addition to placing these Council bills, aggregating £19,000,000, the Government of India have succeeded in obtaining about £1¾ millions of gold in exchange for rupees at a corresponding rate, and including that secured last year the gold in the Paper Currency Reserve must now amount to nearly £2,000,000. It is also satisfactory to observe that this improvement in exchange is attributable solely to a favourable balance of indebtedness, not to additional State borrowing in sterling; for, if I read the figures aright, the addition to India's sterling debt this year is £412,800 only (see paragraph 35). At the same time I would venture to point out that it would be a fatal mistake to think that the favourable balance of indebtedness now experienced is bound to continue and that the present prosperous condition of the export trade and curtailed import trade are factors on which to rely for fixity of exchange in the future. We are told in the Financial Statement (paragraph 1) that the rise in exchange in the early part of the year was due to unusually large exports of rice, wheat and seeds. The exports of wheat in particular were exceptionally large owing to exceptional circumstances: and by way of explanation of the present improvement in the balance of indebtedness I may say that it is only natural after a widespread famine and at a time of plague that exports should greatly exceed imports. Impoverished producers must sell produce before they can buy clothing and other imports, and at a time of plague the holders of both exports and imports are inclined to keep their stocks at a minimum. Hitherto the balance of indebtedness has been as a rule favourable to India, helped occasionally by heavy borrowing in sterling: but it is probable that this favourable balance has been maintained to some extent by the constant decline in sterling exchange: and it would be highly imprudent in attempting to fix exchange to rely for fixity upon this uncertain factor. If we are to have confidence in exchange, we must have in operation that influence which fixes exchange and adjusts the balance of indebtedness in all great commercial countries, *viz.*, immediate and permanent convertibility of the currency into gold, the international standard of value. I think it is now generally admitted that, in order to fix exchange and secure a gold standard, conversion need only be applied to that portion of the currency which can be spared for export, or rather to that portion that is tendered for remittance at the fixed minimum rate of exchange: and I hold that the figures I submitted to this Council last year prove that a Government with heavy sterling liabilities as compared with the extent of their currency will find it less expensive to undertake convertibility in this restricted form than to allow exchange to drop. If this be the case,—and I hold that it is,—it is to be hoped that [redacted] contemplated reform of the currency will include measures for ensuring [redacted]diate and permanent convertibility in some form or other: and, in order [redacted]se measures may inspire complete confidence not only here but in [redacted]is desirable that convertibility be guaranteed by the Home Govern-

ment. Confidence exerts a powerful influence both over exchange and demand for conversion, and the mere verbal guarantee of the British Government would be of great assistance to the Government of India. This guarantee might be given with perfect freedom from risk; because it has been proved that the Government of India will find it more profitable to undertake convertibility at 1*s.* 4*d.* than to allow sterling exchange to drop below that rate, so that all the Home Government are called on to do is to guarantee that India will adopt the course most profitable to her. It seems to me, then, that in the decision that will shortly have to be made the Government will have to choose between convertibility with profit and certainty on the one hand, and inconvertibility with loss and want of confidence on the other.

"My Lord, I have just one other remark to make. On the 12th February last in answer to a deputation Your Lordship stated that 'British capital is a *sine qua non* to the national advancement' and that it would be sound policy to attract such capital to the dependency. Further, Lord George Hamilton from his place in the House of Commons has repeatedly dwelt on the benefits that would accrue to India from an influx of British capital. If British capital is to be attracted to rupee investments, it seems to me the first step is to grant facilities so that investors can get shares transferred in England, and I would suggest that it is desirable to arrange that Indian companies with rupee capital should be able to have share registers in England, in much the same way as sterling companies, such as the Exchange Banks under the English Companies Act, have what I believe are called Colonial registers, to enable transfers in their shares to be effected in India."

The Hon'ble MR. GANGADHAR RAO MADHAV CHITNAVIS said :—"My Lord, I desire to make a few brief observations on the Budget which was submitted for our consideration last week. In the first place I am glad to be able to offer my felicitations to Your Excellency's Government and the Hon'ble the Finance Member for the very hopeful and encouraging report he has put before us. The year under review must, in comparison with its immediate predecessors, be said to have been a propitious one. Yet I am not quite sure that it has brought us anything of positive good. But, situated as we are, a diminution of evil is itself no small mercy. The Hon'ble the Finance Member has very clearly shown that the surplus of the current and coming years will have more than covered the aggregate deficit of the two famine years 1896-97 and 1897-98, that is to say, over seven crores of rupees. Yet the Government do not see their way to reduce taxation. It is not for me to challenge the wisdom of this policy, but in view of the facts that prospects are what they are represented to be and the coffers of the State are being replenished every day, small taxes like the pandhri-tax in the Central Provinces might be done away with altogether without any sensible diminution of revenue. I submit this only as a humble suggestion, because I know that this pandhri-tax is felt by the people of my province as an inequitable and oppressive one, owing to the facts that no such tax exists in any other part of the country, and that the income assessable to the said tax is as low as Rs. 250 per annum. I have recently had occasion to draw Your Excellency's attention to high assessments in certain parts of my province, where malguzars are required to contribute as much as 70 or 75 per cent., sometimes so much as 80 or 85, of their receipts towards revenue and cesses. My Lord, these high cesses are pressing heavily upon malguzars in my province, and Your Excellency will have earned their lasting gratitude if, under Your Lordship's order after consultation with the Chief Commissioner, the cesses together with revenue, were fixed by law at 60 per cent. of the collections, in other words, the Government revenue were limited to 50 per cent. collections, as it is in the North-West Provinces.

"My Lord, it is evident from a mere cursory glance at the Budget that the Central Provinces have been very slow to recover from the depression of the famine. Under the circumstances we cannot but feel grateful to Your Excellency's Government for the proposal of making a grant of five lakhs of rupees to the province from Imperial Revenue. I am aware, my Lord, that Imperial finances have of late years been subjected to great stress. Yet I think that, in view of the extreme calamity in the province, the grant might have been somewhat larger. It would not be out of place here if I draw Your Excellency's attention to the fact that there has been a recurrence of famine in some districts of the Jubbulpur Division, and the rabi crops, in other districts, have more or less failed. I trust Your Excellency's Government has already been informed of the fact by the Chief Commissioner of the province, and that due provision will be made to combat the evil. I earnestly hope that in this emergency the Imperial Government will, to the best of its power, help the Provincial Government to meet their administrative necessities. This claim of my province, I may add, does not arise from the very small balance it now possesses, but from special misfortunes pressing on it.

"The Hon'ble the Finance Minister has referred to the increase in the unit of weight for inland postage from one tola to one and half tola, and I congratulate the Government upon the reform. At the same time I beg to invite the attention of the Government to the necessity that there is for further reform in this direction. The masses would benefit far more greatly if the maximum weight for half anna postage were raised to one tola. When heavy letters can be sent all over the world for an anna postage, it is only reasonable that the maximum of weight for half an anna postage should be raised within the country in the near future when Government finds it convenient. The reform might prove prejudicial to the postal revenue for a time, but it is sure to bring in larger incomes in future than the Government derives at present from the Postal Department.

"I also beg leave to point out that the reduction of the rates of fees for inland telegrams has been delayed a considerable time. Sir James Mackay moved the Government of Lord Lansdowne so long ago as 1892 for the reform, but the Government was far too embarrassed at the time to attempt it. In view of the prosperous times upon which we have entered this subject will, I hope, receive early consideration.

"I note, my Lord, that the Government has been stocking large quantities of gold during the whole of the official year about to close. The imports of the metal on Government account have been valued at Rx. 2,616,400. I also note that, of the two reasons which have induced the Government to hold the large surplus budgeted as a reserve, 'the second and weighter reason is that the Government have in contemplation, as is well known, certain extremely important measures of currency reform.' I conclude from these two facts that the Government intends to launch out upon some such expensive schemes of currency reform as the introduction of a gold standard or a gold currency. I feel it my bounden duty to inform Your Excellency's Government that the people of this country are likely to look with diffidence upon any such introduction of a gold currency, especially at a heavy initial outlay. Further, a gold currency is, in the opinion of many, unsuited to the economic conditions of a poor country like India, where the traditional cowrie still plays an important part in the commercial transactions of the people.

"I find, my Lord, that the Secretary of State suffered considerable loss upon the 2½ per cent. Government loan of £6,000,000, the loan having been taken up [redacted] heavy discount. This was indeed a heavy loss to incur, and in contemplat- [redacted] cannot ignore the fact that the results would probably have been other- [redacted] advantageous if the loan had the high recommendation of being

guaranteed by the Home Government. India sterling stocks are first class stocks and would be eagerly sought for by British investors if they had the British guarantee. The Chinese loan has been raised on far more advantageous terms, and that because it was guaranteed by the British Government. My Lord, I do not see why we, the people of this country, which forms an integral part of the British Empire, should incur any loss upon our sterling loans, while countries with which Britain has only a diplomatic or commercial relation can raise money in London on the easiest possible terms. To my mind the only difference in the two cases is that, while our loans are not guaranteed by the British Government, loans of alien countries, like China, are. My Lord, this difference in the treatment might well strike an impartial observer.

"The next subject of importance I have to refer to is the Army charges. I observe with sincere pleasure that on the expenditure side there have been considerable savings. The result no doubt would have been still more satisfactory for India could the Government see its way, after due consideration, to still further reduce Army expenditure. I think some at least of the Hon'ble Members present here will agree with me when I say that the Army expenditure in India is a heavy drain on its finance, and is generally the principal item which upsets the Budget equilibrium. I therefore think that some considerable reduction is necessary in the military expenditure. It has been suggested that one way of bringing about this result would be to reduce the number of British soldiers in India. During the time of the East India Company one British soldier landed in India used to cost India £27. Now, with greater facilities of travelling, etc., he costs, if I mistake not, as much as four native soldiers of the same rank. It would thus be a great relief to our Exchequer if native soldiers could be largely employed in our army. It was the Indian troops of the East India Company who won the British Empire in the East, and I see no reason why, if we are to pursue a policy of confidence and trust, they, of course with British officers and a smaller number of European soldiers to guide them, should not be able to defend it against all attacks of the enemy. In this connection I beg to invite the attention of the Government to the observations made by the Hon'ble the Finance Member in paragraph 74 of the Budget:

'In respect of their military charges the Government of India feel the same necessity which presses upon all other military Powers, and which has imposed upon even the most pacific nations increased burdens. Both our military system in its details and our general military and defensive policy are closely linked with those of England; and we cannot escape the necessity of increasing our defensive expenditure in the same way, though not perhaps to the same extent, that England does.'

"Such being the case, my Lord, justice requires that a portion of the expenditure should be borne by England. If Imperial policy demands the extension of defensive works, the expenditure should be met out of the British revenues, and not the Indian, specially when rich Britain can so much more easily bear the burden than poor India.

"The raising of the assessable limit as regards income-tax, and the reduction of the salt-tax, have been so often brought to the notice of the Government that I will not say anything with regard to them. This much I will say, that if at some future time Government sees it convenient to grant this concession, it would give relief to many poor people.

"My Lord, I have nothing more to add to the able Statement made by the Hon'ble the Finance Member, which I think has been received with satisfaction by all who have heard it. I cannot, however, conclude these remarks without availing myself of the opportunity to express my sincere regret at the approaching departure of the Hon'ble Sir James Westland, who during the years he has been connected with the Government of India, has not only

done his duties towards the Government, but has been a courteous and sincere friend to all Native and European gentlemen who have had the good fortune to meet him in this Council Hall."

The Hon'ble PANDIT SURAJ KAUL said:—"My Lord, the Budget under consideration prepared by the Hon'ble Sir James Westland, whose financial experience is well-known all over India, is, I venture to say, extremely satisfactory. It is gratifying to notice that instead of a deficit the Budget shows a considerable surplus. The Government is to be congratulated upon this result, and if unforeseen calamities, which are beyond human control, do not occur in any part of the country, the Government of India will be under no necessity of borrowing money. Indeed, there will be a large saving. In my remarks on the Budget laid before the Council last year I expressed a hope that there would be decreased expenditure under the heads of war and famine, and it is matter for rejoicing that by the effective measures and policy adopted by the Government both the calamities of frontier war and famine have been averted, resulting in a considerable saving in the expenditure provided for under these heads in the Budget.

"My Lord, I wish to take this opportunity of bringing to Your Excellency's notice the necessity of encouraging and furthering the cultivation of waste-lands in this country, in times of peace and prosperity. During the last Simla season Sir James Lyall, then President of the Famine Commission, asked me what methods would be effective in averting famine, and I stated in reply that the most effective method was the improvement of the means of irrigation. My Lord, it has been proved by the experience gained during the past famine that scarcity was not at all a feature of the tracts irrigated by canals. Indeed, the grain produced went a good way towards supplying the needs of the famine-stricken districts. In the Punjab, the construction of the Chenab Canal has done an immense amount of good. Extensive waste areas and lands where it was impossible even to grow grass are now, owing to canal irrigation, as fertile as any other land in the Province; cattle-thieves who had their abode in what was before a vast forest and were safe inside it have completely lost their rendezvous. It is hoped that the Jhelum Canal, which is about to be constructed, will prove similarly useful, and that when, later on, Government is able to devote its attention to the excavation of the Indus Canal, it will be possible to hold up the Punjab as an example in the matter of the development of sources of irrigation. My Lord, the outlay required on these works is no doubt very large, but it may confidently be expected that they will repay the original outlay, with interest, in the course of a few years. At the same time the extensive tracts of waste-land which are now lying unproductive will be brought under cultivation, and cultivators who have to move from place to place for want of land and are either by habit or in consequence of poverty induced to commit theft and similar crimes will settle down peacefully on getting canal-irrigated land to cultivate. And, above all, the abundant produce of canal-irrigated land will provide what is necessary both for consumption within India and for export to foreign countries.

"My Lord, I also consider it my duty to observe that the provision made in the Budget for expenses connected with the prevention, etc., of plague is necessary and prudent. This terrible epidemic has been the cause of deep anxiety to the Government and sore trouble to the people, but the excellent measures adopted by the Government in places where the scourge has prevailed and for preventing its taking hold of other parts of the country have been of much benefit. The excellent arrangements made by the Punjab Government in the plague-stricken villages of the Jullundur and the Hoshiarpur Districts have been very successful. People are now beginning to understand that the rules framed by Government are intended for the benefit of the people themselves and that the disease spreads by contagion. They are beginning to realize the wisdom of segregation of the plague-

stricken individuals and of people who might possibly have caught the contagion. The order of Government that no patient shall be compelled to take medicine in the plague-hospital, that the relatives and friends of a patient can be permitted to look after him, and that if he dies they shall not be obstructed in the performance of the after-death ceremonies, has greatly relieved the minds of the people, and they are now becoming alive to their duty in carrying out the orders of Government and assisting it in its efforts. Hindus and Muhammadans, who according to their respective religions regard the ruler of the time as a representative of God, are thus in a better position now to fulfil the noble desires of their ruler. It may be thought that the measures adopted in places like Jullundur and Hoshiarpur may not prove so effective in large towns of the Punjab without the hearty co-operation of the people; but there is now, I think, no reason to fear that in the case of a visitation in any large towns—which God forbid—the assistance of the people may not be fully relied on."

The Hon'ble Mr. LATOUCHE said:—"I do not propose to add anything to the general remarks on the Financial Statement which have been made by the Hon'ble Members who have already spoken, especially by my Hon'ble friend Nawab Faiyaz Ali Khan, my colleague in the representation of the North-Western Provinces. Nor in my opinion is the time opportune for any effective discussion of principles of taxation. Your Excellency's Government has decided to keep the existing realized surplus in reserve, and not at present to undertake any measures for the reduction or re-adjustment of taxation.

"But as the question of the income-tax has been raised, I shall say this much, that while I cannot agree with the Hon'ble Mr. Arthur that the income-tax should be abolished, I yet would gladly see the lower limit of liability to the tax raised above Rs. 500, its present limit. I would gladly see the lowest grades of Rs. 10 and Rs. 15 removed from the schedule, and that not only on the grounds urged by the Hon'ble the Maharaja of Darbhanga, but also on official grounds. In these grades the tax is collected from a number of petty traders who as a rule keep no regular accounts, whose income is extremely difficult—almost impossible—to ascertain, regarding whom an assessing officer is hardly ever able to satisfy himself as to the justice and fairness of his assessment.

"There is only one other matter on which I desire to say a few words. It is the question of the future financial position of the Government of the North-Western Provinces and Oudh, and I refer particularly to paragraph 52 of the Financial Statement, where the Hon'ble the Finance Member says:

> 'In the coming year, 1899-1900, the Government of the North-Western Provinces propose to increase their scale of expenditure all round to a rate which they will not be able to maintain after the arrear collections (which add some lakhs to the present scale of revenue) are exhausted, and the revenue falls back to its ordinary amount.'

"I trust this does not mean that the scale of expenditure adopted in 1892 is now considered suitable and sufficient for the needs of the Provinces.

"It can be satisfactorily proved that the provision for the public services made in past contracts was inadequate; that the Provinces have suffered from an unduly restricted expenditure; and that in future, apart from the question of any temporary increase, a permanent increase in the scale of expenditure is necessary and essential to the welfare of the Provinces."

The Hon'ble SIR GRIFFITH EVANS said:—"My Lord, India may well be called a land of surprises: it has been visited with war, pestilence and famine all at once, but the marvellous recuperative power of the country when the harvest is good is well illustrated by the revised estimates for the present year. The estimated surplus, Rx. 890,000, which was thought by many to

sanguine, has been converted into one of nearly Rx. 5,000,000, reduced to Rx. 4,000,000 by fresh grants to the Provincial Governments.

"Of this large surplus only Rx. 1,000,000 is due to the improvement in exchange. The rest is due to increased revenue, although the plague is still with us. For the coming year a surplus of nearly Rx. 4,000,000 is estimated, and if the exchange keeps at its present level it should be Rx. 400,000 more. The first tendency of everyone on seeing these figures would be to ask for remission of taxation, which is no doubt very heavy, and some of it very harassing. The Government has, however, resolved not to take this course, having regard to the deficit of Rx. 7,000,000 in the last two years, and the probability of being put to extra expense in connection with any scheme that may be decided on for fixing the currency. The estimated surplus for the coming year of nearly Rx. 4,000,000, together with the surplus drawn by the Secretary of State beyond his requirements for the year, amounting to one million sterling, and Rx. 392,000 from the cash balances, goes to supply the sum of Rx. 6,000,000 to be spent for railway construction on capital account, thus rendering a loan unnecessary for the present year.

"There is much to be said for this course as a temporary measure—not only on the grounds stated in the Financial Statement, but because there are elements of uncertainty about the expected surplus of next year. The plague is still here, and is threatening Calcutta and its trade. No one can guarantee peace on the frontier, though we may reasonably hope for it. Opium, too, is uncertain, though I am glad to see that the reduction of duty on Malwa opium has had the effect of increasing the production, and giving India a chance of maintaining its hold on the China market, which it was fast losing. Besides all this, I think it is but fair that Your Excellency should have time to consider the needs of the country, and consider the various claims that will be put forward for the remission of taxation on the one hand, and for increased expenditure on the other.

"A recently fractured rib forbids me making any long 'excursus' into that very wide field; but there are one or two observations I would wish to make.

"The salaries and furloughs of the Judges of the High Court and the Presidency Small Cause Court will have to be considered.

"The claims of Bengal to have the surplus income derived from the administration of civil justice in Bengal applied to much-needed improvements in the machinery of justice in the province will have to be considered. The Hon'ble the Maharaja of Darbhanga has dealt with this matter to a considerable extent. In the last Budget debate there will be found a passage-at-arms between the Hon'ble Sir Henry Prinsep and the Hon'ble Financial Member in which the latter had the last word. I regret that for the physical reason I have mentioned I am not able to go at length into this matter. But I am satisfied that the Judges of the High Court are right in saying that the Subordinate Judges and Munsifs are over-worked and underpaid, and that my Hon'ble friend is wrong in his denial of the fact. Again, the condition of the lower ministerial establishment is a scandal. They will continue to supplement their inadequate pay by illicit perquisites unless some change is made. The principle should be that enunciated by Warren Hastings when propounding his scheme for Civil Courts in Benares:

'I have endeavoured to proportion the salaries of the officers to their responsibilities, and have thus removed the necessity for, and I trust the temptation to, corruption.'

"As to the Hon'ble Financial Member's remarks in that debate, that cases [illegible]ch last months are proofs of the incapacity of the Judges who try them, the [illegible] is plain. There is a class of cases, long cases, common in India, which [illegible] parallel in England, except in very rare instances, such as the Tichborne [illegible]y cannot be made into short cases except by a denial of justice. If

my Hon'ble friend could only be placed on special duty to try one of these cases, he would need no argument to convince him of his error.

"In the note of the Hon'ble Member for the Military Department there is mention of the Cantonment Bill. I wish to draw the attention of the Government to a memorandum by the Judges of the Calcutta High Court upon that Bill. It is there pointed out that in the older cantonments legal rights have grown up which have been judicially recognised by the Courts and that those rights will be virtually confiscated by the Bill without compensation. This cannot be allowed according to English principles of justice. Some provision will have to be made by which persons claiming such rights should be able to prove them (if they can) before a judicial tribunal. When so proved the State can only acquire them on terms of giving compensation.

"I am glad to see that steps are being taken for the improvement of transport although it will cause some expense; that an army is no use without adequate transport is as apparent to a civilian as to a soldier. I shall never forget the way money was uselessly squandered in the attempt to improvise transport at the time of the Penjdeh scare. Great as has been the improvement since that time, the Tirah expedition showed there was much to be done.

"There is another matter connected with the Army on which I am sorry to see nothing is said. It is the inadequate number of European officers attached to each native regiment. I have drawn attention to this in former years, and in doing so have, I believe, expressed the views of Lord Roberts and most of the many friends I have had in the Indian army. I will not go into the details now, but will only say that the soundness of these views and the necessity for a change were amply demonstrated in the recent expedition. I hope the military authorities will not wait till a great war exhibits our splendid native army paralysed for want of British officers whom they know and trust to lead them.

"One word more. Very recently, in the debate on the Court-fees Act, I explained the injustice which the Native Christians suffer under in the matter of administration and death duties and I pointed out a simple and easy remedy. I got something very like a point blank refusal from the Hon'ble Financial Member on that occasion. But I return to the charge. It will cost very little, probably not a lakh of rupees, to relieve them. I do not ask for any pledges. In small matters he is very stony-hearted. He reminds me of the character of Naaman the Syrian, as drawn by his servant—'Had the prophet bidden thee do some great thing would'st thou not have done it?' In any great emergency of war or famine he is cheerfully ready with his millions. But if you ask him in his financial capacity for sixpence, you will find it is very difficult to get it. Besides, he is leaving India. No one regrets his loss more than I do—as a friend as well as a financier. But I must place this modest claim upon the surplus on record in plain and brief terms.

"If a native becomes a Christian, his widow and children are, on his death (to use the quaint but expressive words of the old ecclesiastical canons), 'much distracted and diversely called and summoned to take administrations, and are thereby grieved with many causeless and unnecessary troubles, molestations, and expenses;' and besides, they are afflicted with a two per cent. duty on the whole estate.

"All these troubles for those he loves this native might have avoided by resisting the allurements of Christianity during his life, or by relapsing into what is called 'heathenism' before his death.

"I cannot doubt that this grievance will be redressed; for I have no reason to doubt the fairness and justice of the Government of India, or to suspect any of its members of any especially Pagan or anti-Christian proclivities. Nor do I anticipate that the Secretary of State for India will say from hi[redacted]

Parliament 'The way of Muhammad is open ; the way of Buddha is open, and the way of the ancient Rishis ; but I will maintain a special duty on the lands and goods of those who seek the way of Christ.' What makes me so insistent is the fear that so small a matter may be overlooked amidst the larger concerns of this great Empire.

"To the Financier I would address one more observation on this point. Though sugar may be financially more important, Christianity is still regarded by the majority of Englishmen as having at least an equally good claim with sugar to be protected from unfair competition. Wherefore my counsel to the Financial Department is not to further harden their hearts but to let this people go."

The Hon'ble RAI BAHADUR P. ANANDA CHARLU said:—"Despite the very flattering terms in which my Hon'ble friend Mr. Rees has foretold and almost invited me to launch into a criticism of the Budget before us, a multiplicity of reasons make it inexpedient that any adverse criticism should find expression at the present juncture. To begin with, this is Your Lordship's first year of office ; and it is only fair that Your Lordship should command a wider and more intimate knowledge of the many problems which you are confronted with. It is indeed true that you are not a perfect stranger to the affairs of this country. Both by choice as a traveller and by office as an Under Secretary, Your Lordship had indeed made a vast amount of acquaintance with interests involved in the stewardship of this part of the British Empire. But it is no disparagement to say—and I say it in all humility and in all diffidence—that the extent of knowledge acquired as an outsider to actual responsibility or as the advocate holding a defence-brief on behalf of a past Government of India is not quite equal—in essence and degree—to what is necessary to enter upon a confident solution of the problems connected with the abiding interests of this country. That Your Lordship is already on the right track, and that you have displayed and declared your firm resolve to identify yourself with the interests of this country in preference to all other extraneous considerations, is proved to the public by your bold deviation from the policy of the past, as instanced by the Sugar Duties Act, which you have placed on record just the other day—a deviation of policy for which I am amply authorised to assure Your Lordship of the deep gratitude of my countrymen—a deviation, too, which to me, at the second sitting of this Council before I leave it, was of peculiar pleasure as in some way contrasting favourably with a tariff legislation which was brought in at the second sitting of this Council from the commencement of my taking my seat on it, and which I never shall cease to regard as free trade run mad.

"Having regard to the significance in the fact that you were called upon to defend the late Frontier war just before your acceptance of the Viceroyalty of India, when perhaps you yourself had not dreamt of taking up that office, the impression is irresistible—at least on my mind—that in taking up the reins of the Government of India your foremost idea was to solve, on the firm basis of permanence of peace, our trans-Himalayan problem. I regard this as having been uppermost in your thoughts these three brief months that have now elapsed between your arrival here and your forthcoming departure to almost the next door of the scene, with reference to which that particular problem has to be set at rest. In common with nearly all my countrymen who are capable of thought, I hold that our Frontier is the greediest cormorant of the Indian revenues. It is therefore meet that my first set of remarks should relate to this topic and should be addressed to Your Lordship at the earliest available [illegible]ortunity, and—let me add—on the eve of your proceeding to enter upon the [illegible]n right earnest. If you will succeed in enchaining that fell monster, or at [illegible]king him permanently dyspeptic towards Indian blood or towards blood paid

by Indian money, you will have achieved a work for which you will be eternally blessed. Besides resoluteness, Your Lordship must perhaps advise that some new order of honours might be forthwith instituted, open for competition for our militay men alone, but capable of being won, not by martial victors but by heroes of peace, not for successfully conducting, but for effectually preventing, wars and battles on our Himalayan frontier. I fervently hope that, should it come to pass that I shall be Your Lordship's humble colleague this time next year, I might have it in my power to acknowledge your success in this respect and to convey to you my country's lasting sense of signal service done.

"A second consideration which disarms criticism is the delay in the publication of the reports of the Welby Commission and the Currency Commission. Some measure of relief is looked for from the former, if its conclusions should be of a nature to meet cherished expectations. As for the latter, it is generally regarded, not without just cause, as a veritable Pandora's box, and few can tell—when our astute financier himself professes not to—whether there is to be any hope at bottom and whether it would be one which would have any good shape and bulk. In the face of these discouragements, it will be hard lines to nourish other than the kindliest sentiments towards Sir James, of whose services this is his last year of office, but his year of overflowing surpluses, and the one, too, which has come after a year of his untiring effort to hold out an unstinting hand to our famished millions at a time when our exchequer seemed to afford but little scope. While these circumstances must awaken an unruffled good-will, may they likewise sooth those feelings of irritation which he had often caused by both the manner and matter of his utterances. One ground, however, which tells the strongest in favour of Sir James Westland has yet to be mentioned. It is his recognition of the general indigence of the people of this country—perhaps for the first time in his official career, certainly the first time in my—not very retentive—memory. Fully conscious—let me add, painfully conscious too—that in noting the return of prosperous seasons on the very heels of a dire and widespread famine, he was but judging by the standard of paid up Government revenue, Sir James has placed on record, in black and white and in no faltering or uncertain tones, the important lesson, namely, that 'the margin between prosperity and adversity in India must be a very narrow one; for, if we have learned that one bountiful harvest suffices to restore the country after a widespread and severe famine, we have learned also that the failure of the seasonal rains in a single month of the year is sufficient to set back a full tide of prosperity; and that this is a possibility which, in the administration of India, and in its financial administration especially, we dare not leave out of account.' Though honestly meant to be an explicit statement, this extract has about it what may be called a diplomatic leaven. It therefore requires to be annotated here and there. When in the face of a flush of revenues Sir James speaks of the margin between prosperity and adversity in India to be a narrow one, it is quite clear that what is left in the pockets of the tax-payer, after he has paid his taxes, is not enough to feed him—much less to float him in a succeeding year of failure of monsoons. When, with the above admission, he talks of a bountiful harvest as sufficing to restore the country, he can mean little more than this, that so far as the Government dues are concerned, they could be fully extracted. I would lastly substitute for his word 'possibility' the words 'extreme probability.' Thus elucidated it is indeed a profound lesson, full of grave import, and it is well that it has been placed before Your Lordship so early and so impressively in the forefront. There can be no doubt that the problem suggested by this sta[illegible] things will be the first cis-Himalayan problem which Your Lordship will [illegible] with the eminent talent and the active earnestness which distinguish yo[illegible]

"As for the remission of taxation, few can deny the wisdom of the reservation stated in the Budget. While the grounds assigned are sound enough in the immediate juncture, one cannot but regret that the admitted onerousness of the salt-tax on the bulk of the people has to continue without some measure of relief. I sincerely wish that it may not be long before it is within Your Lordship's power to afford this already plighted but long delayed relief, which, I feel sure, will be gratefully remembered at every meal which the middle and the poorer classes in this country take.

"The income-tax is, again, one in which help is needed. But that help should take the shape of raising, by a good deal, the minimum for taxation. There are two reasons why I regard this species of succour urgent. In the first place, the tax now touches incomes far too low to afford the payment; for, as it has been neatly put, 'it makes indeed little difference to the life of a family whether its yearly income is £1,000 or £5,000. But it makes a very great difference whether the income is £30 or £150; for with £150 a family has, with £30 it has not, the material conditions of a complete life.' The words 'the material conditions of a complete life' in the above passage have, *mutatis mutandis*, an important bearing on the altered modes of life, almost forced *even* on the simple raiyat who—to deserve to be noticed—could once appear, but no longer can, in his semi-paradisiacal dress, in suing for remission, asking for takkavi or craving for water.

"My second reason for raising the taxable minimum is the preposterous system on which the tax is assessed. The well-to-do and those that have adopted or have found occasion to adopt the modern system of regular book-keeping are all safe, and they are men who, in the language of my Hon'ble friend Sir Griffith Evans, are strong enough and loud enough in their voice to compel relief if they have any complaint. But the classes of men and merchants I allude to are either such as adhere to their old ways of keeping accounts, or such as find no need to keep any, except to help their memory, being the masters of their incomes and accountable to none. The way these now suffer is easily told. That honourable body of men who go by the name of secret informers, furnish the assessing officers with some information to go upon in the first instance. The assessee produces his loose sheets of account and swears to the items in them and to their accuracy. These are too often discredited as unsatisfactory, and no clue is given to the assessee of what data the informer, by some occult methods, has supplied. No onus of proof is laid upon him or is accepted by the assessing officer as regards such data, and they are acted upon as if they were gospel truths. The amount and extent of hardship and injustice which this system is calculated to inflict can well be imagined, and they are entitled to be taken into account in deciding the question as to how far and to what extent each source of income may be pronounced to be on a solid and not on a shifting basis.

"I have considered these remarks as relevant, as we have met to-day, not in our legislative capacity, but, as I take it, in order to express our views, so far as they bear on the financial aspects of the Administration. If I have erred in acting upon that faith, I beg most humbly to apologise."

The Hon'ble MR. RIVAZ said:—"My Lord, I will confine my remarks, which shall be of the briefest, to one or two points connected with the departments under my charge, which have been noticed by some of the Hon'ble Members to-day. The Maharaja of Darbhanga referred to certain proposals which have been submitted by the Chief Commissioner of Assam for the colonization of the vast tracts of waste-land in that Province. The correspondence which has taken place with the Chief Commissioner of Assam has been published for general information. That correspondence shows that, although the Government of

India have not been in complete accord with Mr. Cotton's proposals, they have agreed to consider any scheme that he may submit on the general lines which he advocated for the colonization by capitalists of a considerable tract—I think, speaking from memory, of 100,000 acres. While the Government of India expressed their willingness to accept the Chief Commissioner's rates of assessment, which were exceedingly favourable, they demurred at the length of the term of lease which he had proposed, and they thought that clearance conditions ought to be attached in giving such leases. However, we shall be quite prepared to consider any representation which the Chief Commissioner in answering our letter may make on these points.

"The Hon'ble Mr. Rees touched on the question of prospecting concessions and mining leases. These questions, of course, are quite different from the subject-matter of the Mining Bill which I introduced into this Council last week, and which deals with quite another matter—the matter of regulation of labour in mines. However, the revision of the present rules which apply to prospecting concessions and mining licenses is at present under the consideration of the Government of India. I hope that the revised rules will shortly be published, and that they will be in the direction of extending the present powers of Local Governments in dealing with these matters.

"My Hon'ble friend Mr. Mehta made some remark about the surplus of the present year having been swelled by realizations of suspended land-revenue, and he criticised chiefly the land-revenue system of Bombay. I will not venture to make any remark as to whether the land-revenue system of Bombay may or may not be too rigid, as I am not personally acquainted with the Province. The Bombay Government will, no doubt, when it has the opportunity and if it is necessary, defend its own system. I will only remind my Hon'ble friend that if land-revenue is suspended in years of adversity it is only natural and reasonable that it should be collected in favourable years, and that in several Provinces large amounts of land-revenue have been altogether remitted in addition to what was suspended.

"The only other point which I need refer to is as to the remarks of the Hon'ble Sir Griffith Evans about the exemption of Native Christians from payment of probate-duty. When we lately dealt with the amendment of the Court-fees Act, I, as being in charge of that Bill, said that we had expressly excluded this question from consideration, as we were then only dealing with the amendment of the procedure for the recovery of duties, but as regards the general question we could not take it up then. If, however, it is represented to the Government of India—for instance by the Madras Government, which I believe is the Government chiefly interested in the Native Christians—it will, I am sure, receive the fullest consideration. What may be the decision I am unable to say, but I can only say that it will receive the very fullest consideration."

The Hon'ble SIR ARTHUR TREVOR said:—"My Hon'ble friend the Maharaja of Darbhanga has lodged a somewhat sweeping indictment against the management of railways in India, and complains generally of overcrowding, unpunctuality, want of latrine accommodation in third-class carriages, want of separate accommodation for all classes of Europeans and Natives, insufficient number of trains, slow speed, third-class fares which, if not high as compared with other countries, are too high for the poorest classes in this country, and so on. I gather that he is disposed to attribute these defects in part to State management and control, and to make an exception, in some respects at any rate, in favour of the Bengal and North-Western line, which is our standing example of successful private enterprise. I find in this exception some encouragement. It is only very recently that we were

vehemently called upon to enquire into a serious indictment brought by the local authorities against the Bengal and North-Western line, as compared with other lines in India resting on very similar grounds. The conclusion we arrived at was that things were not so very bad on that line after all, and I am glad to have the testimony of my Hon'ble friend in support of that conclusion. I am inclined to think that a similar enquiry into the working of other lines would justify a similar conclusion. We all, I am sure, must heartily sympathise in his desire for improvement. But it is impossible to do everything at once regardless of expense, and some of the matters he has referred to are, I am afraid, beyond the range of practical politics. There are obvious objections, for instance, to the provision of latrine accommodation in all third-class carriages. We are providing it in the carriages reserved for females, and we are doing what we can to make increased provision at stations. There are also, I think, obvious objections to the provision of separate accommodation for different castes and classes. It would at any rate be a reversal of the policy which has hitherto been adopted. For the rest, I think that unpunctuality (considering the long distances run) and overcrowding are the exceptions, not the rule. That they should take place occasionally (even on the best managed lines) is inevitable. I have even known such things in England! We are doing our best to lessen the number of such cases in India, and to improve the signalling arrangements to remedy unpunctuality. We are steadily improving the carriages. It is quite possible that it might pay to reduce third-class fares. But the point is one which I think must be left to the Management of individual lines. It does not follow that because it would pay in one locality or on one line, that it would answer generally. The Madras line is now trying the experiment, as my Hon'ble friend has observed. The third-class fares were reduced some 18 months ago from 3 to $2\frac{1}{2}$ pies, but though the number of passengers has increased, the loss of revenue has not yet been recovered, and as long as trains are filled, and as many trains as possible are run, a reduction in fares must result in a loss of revenue which a commercially managed undertaking cannot be expected to accept with a light heart. Railways do not pay their cost on the direct account, and we must necessarily proceed with caution. With regard to the remarks which he has made as to the insufficiency of the East Indian Railway to cope with the traffic of Calcutta, I may observe that here again everything cannot be done at once. We are only allowed to spend a certain annual sum, and with the assistance of the Conference we do our best to apportion the amount as fairly and with as much consideration of the most pressing needs as possible, and I welcome the evidence given by the Hon'ble Mr. Rees and the Hon'ble Nawab Faiyaz Ali Khan that so far at least as the provinces they represent are affected our apportionment is regarded as fairly satisfacory. The complaints against the East Indian Railway are due mainly, I think, to the cause to which my Hon'ble friend Mr. Allan Arthur has also referred, namely, the want of sufficient rolling stock. With reference to that point I may mention that both the Management of the line and Government are fully alive to the deficiency. About 1,120 open and 1,800 covered wagons are now under supply, and they would have probably been here some time ago but for difficulties in getting orders placed and executed with sufficient rapidity. Apart from this, we are making progress towards the attainment of the desired independent line to Calcutta. A line from Jerriah *viâ* Midnapur to Calcutta forming part of the Bengal-Nagpur Railway has been approved by the Government of India. When this and the line from Mogulsarai to Daltonganj now under construction have been completed, there will be but a short link to be filled in, and provision has already been made for the exercise by the Oudh and Rohilkhand and Bengal-Nagpur Railways of running power over any section of this line which may

belong to the East Indian Railway. Meantime the approaching completion of the Bengal-Nagpur Railway connection with Calcutta *viâ* Midnapur will help to relieve the congestion between Asansol and Howrah, and other schemes for still further relieving it are under reconnaissance and survey."

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN said:—"My Lord, before I deal with the army estimates I should wish, with Your Excellency's permission, to pay a tribute to the memory of a distinguished officer who sat with us in this Council this time last year. I know that my colleagues join with me in deeply deploring the untimely death of General Sir Charles Nairne just as he was selected to fill a responsible office in England..

"In the memorandum which I laid upon the table last Monday I have given the details of the estimates with which I am specially concerned. The chief point to be noticed is that, taking the four estimates for next year together—the Indian military estimates, the Home India military estimates, the Military Works and the Marine estimates—and translating the rupee into sterling at an exchange of 1*s.* 4*d.*, they show a saving of £644,000.

"We have postponed certain expenditure that we did not consider very pressing, and in the course of the year have had to reject or postpone a good many proposals involving expenditure after a careful consideration of their merits. To take one example out of many, we felt obliged to postpone a proposal to have two additional companies of garrison artillery in India. On the other hand, we have added a mountain battery to the Indian establishment. We have provided in next year's estimates for improvements in the arrangements for the mobilisation of the field army and the defences of the North-West Frontier; we have provided for an increase in the reserve of the Native Army, for larger expenditure on camps of exercise, and for increased capitation to artillery volunteers. We provided in this year's estimate for an increased capitation to mounted volunteers. We also propose to increase the wound pensions of the Native Army. In the Medical Department we have provided for bettering the position of Assistant Surgeons, and have also dealt with the question of improving the condition of the Native hospital assistants. We have taken up the question of field medical equipment and ambulance transport. Improved army equipments have been provided for and an increase in ordnance manufactures in India. It may interest my Hon'ble colleagues to know that in 1897-98 the saving in ordnance manufacture alone, as compared with the cost of imported manufactures, was 30 lakhs of rupees or £200,000 at 1*s.* 4*d.*

"We are prepared to spend more money on the sanitary requirements of the army. We cannot, of course, provide for everything in the estimates of one year; you will see from the memorandum how enormously the demands exceed the possibility of complying with them all, but besides the actual works of water-supply, drainage, and the like, we have included in next year's military estimates a considerable sum for sanitary purposes, and in my memorandum I have detailed the principal items. The best energies of our sanitary and medical officers of the army are directed to search out the causes of enteric disease. We have often been reproached with the small results of these investigations. I do not say we have succeeded in absolute results, but I hope we may be on the right track in the investigations and in the precautions taken. The idea that the germs of the disease may be air-borne and conveyed in dust, as well as in water or by food, seems to be increasing in strength, but there is some compensation; experiments in England appear to show that the typhoid bacillus quickly dies out in grass-covered areas, and we may hope therefore that the grass cultivation we desire to extend in Indian cantonments may be a helpful factor in our efforts to protect them. I specially mention this matter because of its enormous importance in connection with the health and efficiency of the

army and because the losses in life and money exert a sinister influence on the estimates. The Commander-in-Chief has proposed, and the expense has been provided for, that at certain stations the troops shall be moved into camp at the proper season under field service conditions, so as to give these stations a period of non-occupation. We hope—and I have the full permission of His Excellency the Commander-in-Chief to say this—to increase the efficiency of the army by more extended training, by imparting increased flexibility to the plan of mobilisation, by the decentralisation of military business, and by the reduction of paper work and returns.

"It will be seen, therefore, that while—thanks mainly to the cessation of field operations and the improvement in exchange—we anticipate a saving of £644,000, we have provided for many essentials of efficiency. But we have a good deal of expenditure looming before us. The re-organisation of the transport service, to which allusion has been made by the Hon'ble Sir Griffith Evans, is a most pressing matter, and my Hon'ble colleagues will note the large increase to the transport at home. The re-armament of the Native army and volunteers must be dealt with before very long. The carriages of horse and field artillery in England are being altered to enable the gun to be fired more quickly, but this is a temporary measure until the best quick-firing gun is decided on. It costs, I believe, a considerable sum per gun, and I hope we shall not need to adopt this expedient, although eventually we shall have to follow the home army when a quick-firing gun is introduced.

"The Hon'ble Mr. Chitnavis makes a proposal for the reduction of Army expenditure. He proposes to reduce the expenditure by reducing the number of British soldiers in India. That is a matter which has before now been mentioned in this Council; but I would ask him, does he really think that with a great empire like that of India to guard, with its thousands of miles of frontier and its enormous area and vast population, the British Army is more than a very moderate garrison for this great country? I gather, too, that he is in favour of calling upon the Imperial Exchequer to bear a portion of our military burdens. That, too, is a subject which has more than once been discussed in this Council. If he will be at the pains to read those large volumes, which now have some of the flavour of antiquity on them, containing the evidence given before Lord Welby's Commission, he will find a great deal said on that subject, and if he refers to the Despatch from the Government of India of 1896 and to the reply of the Secretary of State, dated the 21st February, 1897, on the Suakin charges, he will find the views of the Government of India and of Her Majesty's Government fully set forth.

"My Lord, the Hon'ble Sir Griffith Evans has drawn attention to the inadequate number of British officers with Native regiments. That is a matter which has been before the Government of India for many years. In his last speech in this Council Sir Henry Brackenbury laid great stress on the wants of the Army in this respect, and it was one of the first subjects which I took up when I succeeded to my present office. Certain representations were made, but as to the later history of the subject, I can only refer my Hon'ble friend to the statement made by the Secretary of State in the House of Commons a few weeks ago. Sir Griffith Evans has also referred to the Cantonments (House-Accommodation) Bill. This question, my Lord, has been considered for at least a quarter of a century, and I confess I was in hopes that we were approaching to some conclusion in the matter. My Hon'ble friend will forgive me if I do not follow him into the legal aspects of the question. I can assure him that the representations of the Judges of the High Court of Calcutta will receive that respectful consideration which their position and authority demand.

"The question of military expenditure has been dealt with before in this Council by my predecessor Sir Henry Brackenbury and by myself. I do not

think defence of military expenditure is needed, but, if it is, the best defence will be found in the Financial Statement of my Hon'ble friend Sir James Westland, where he shows that the increase of military expenditure has been only 29 per cent. in India against 59 per cent. in the United Kingdom in a period of fifteen years. The cost of the Army in this country is, as I have shown on a previous occasion, but a small percentage of insurance on the great trade of the Indian Empire. We may practise the strictest economy, but there is no means of reducing expenditure in any extraordinary way. I have shown what we have done, and what is still before us. The efficiency of the Army in India is of Imperial importance; to maintain and improve that efficiency is our task, and I trust that we shall never shrink from it."

His Honour THE LIEUTENANT-GOVERNOR said:—"My Lord, I have two remarks to make, and they shall be short ones. The first one is naturally about the allotment to Bengal. When it was evident that there would be a large surplus, I suggested to my Hon'ble friend the Finance Minister that opportunity should now be taken to adjust our financial affairs on the principles that were laid down in 1881. It was settled in that year that in the event of famine a Local Government was to meet the cost from its own balances as far as possible, but that if these did not suffice, and the Imperial Government had to assist, then the contribution of the Local Government was to be two-thirds of the funds in excess of its minimum balance. When famine came in 1896, the balances at the credit of the Local Government in Bengal were 58 lakhs, the savings of several years, carefully husbanded for various important works of public utility, notably the supply of feeder roads to our railways. Its minimum balance is 20 lakhs. Under the rules of 1881 the Bengal Government should not have been required to pay more than two-thirds of the difference between 58 and 20 lakhs towards the cost of any necessary famine works within its area. The provincial contribution should have been 25½ lakhs. But the famine in 1896 was a famine which struck not Bengal alone but every province in India, and under this unparalleled pressure all rules had to give way: every Government had to give up its all to meet this calamity, and it did so without a murmur, for it knew the exigencies of the Imperial Government. There was no alternative. The famine expenditure actually charged to the Bengal Government was 49 lakhs, 23½ lakhs more than it would have paid had it been possible at the moment to apply the rules of 1881. The actual balance at the credit of the Local Government sank to 10 lakhs, 10 lakhs below its normal minimum. Our actual balance now with every conceivable and practicable economy is 14 lakhs, and when it became certain that the Imperial coffers would be full to overflowing, I pressed upon my Hon'ble friend the restoration to Bengal of the 23½ lakhs, the excess of its actual over its proper contribution under the normal rules. The Hon'ble Member has given us 17 He will allege that grants-in-aid of the European General Hospital meet the difference. The hospital is one in which the Europeans of Assam and Upper India are quite as much interested as those of Bengal, and I regret that I cannot admit the sufficiency of the argument. But I regret even more that the Budget Statement contains no reference to a principle, which I consider of the highest importance, whether you look at it from the point of view of the Local or the Imperial Government. The idea of 1881 was to leave to the Local Government some of its savings even when it was overtaken by heavy and unforeseen calamity. Unless you do that, you leave it with no encouragement whatever to thrift and circumspection. Every Local Government will spend its balances every year in hot haste less the Imperial Government sweep all away in resistless rigidity. Money will be spent hurriedly on any local improvements that suggest themselves, and when famine does come the Imperial Government will find in the local treasury nothing but the prescribed minimum balance. In the

interests, therefore, alike of the Local and the Imperial Governments, I think the rules of 1881 were eminently sound and wise, and should be most carefully maintained and reiterated.

"Then we have all heard from time to time of strained financial relations between the Imperial Government and its subordinates. These relations would be very much improved, I venture to think, if opportunity were taken to frankly recognize and reciprocate local help. It is true that all the Local Governments, except Burma, have this year received gifts—sometimes very precious gifts. But it is not easy for the uninstructed layman to discern the principles which have guided the distribution; and it is obvious that the more clear these principles, the less will be the jealousies with which these provinces meanwhile regard each other and the Imperial Government.

"I trust therefore that my Hon'ble friend will be able to renew the adhesion of his Government to those principles of 1881, which I regard as of far-reaching importance to our financial administration.

"I have just one thing more to say, my Lord. When the famine of which I have spoken burst upon India, I was the Member in charge of the Revenue Department of the Government of India. In that capacity I knew more than any other man what was the share of the Hon'ble Sir James Westland in the duties of the time. From the moment the terrible calamity became certain, his purse-strings were at once unloosed. For seventeen years, he said, the Government of India had been preparing for and insuring against this very event, and every expenditure which the Local Government and myself considered necessary for the saving of life should be met without a moment's grudge or hesitation. And it was so met. It is not possible that a disaster of the kind can overtake a nation without grievous suffering and loss of life; but if, as I believe, the sufferings of the people were mitigated as they never were before, it is in the first instance due to the prompt and open generosity with which the Finance Minister placed the entire resources of his exchequer at the disposal of the Local Government. I know this as no other man can, and I should not have done my duty to the Hon'ble Sir James Westland, if I had not taken this opportunity, before he leaves us, of giving my public testimony to the debt all India owes him for his attitude and his conduct in her greatest famine."

The Hon'ble SIR JAMES WESTLAND said:—"It is not possible for me to hear these last remarks of my Hon'ble friend Sir John Woodburn without acknowledging my gratitude to him for his recognition of my work at the time of the famine. What I did then I did as a matter of duty, and since, as His Honour has explained, we had been preparing year after year for the calamity which came upon us in the year 1896, if at that time we had declared that we were unfit to meet that calamity after preparation of seventeen years, I should have said that the financial administration of India had something wrong in it. I thank him very heartily for the recognition which His Honour has thus given me in public of the events of that time, and it will be for a long time a great encouragement to me to think that when Sir John Woodburn and I took in hand two or three years ago the question of financing a famine we worked thoroughly together, and worked together for the good of the Empire. And now, my Lord, having acknowledged these too generous terms in which Sir John Woodburn has referred to one incident of my administration, I come back to the Financial Statement and the financial discussion. I was quite prepared to learn, as I have from the course of the debate to-day learned, that the principal subject of attack upon the Financial Statement would be this: that we have not provided for any remission of taxation. Personally I do not see any very great necessity for my defending the action of the

Government in this respect. I hold that we are right, on the face of it, under present circumstances, in refraining from dissipating, by remitting the existing taxes, the surplus of our present position, and if anything were necessary to justify my opinion in that respect I would refer to the commendation which has been bestowed in more than one quarter upon those words of warning which I thought it advisable to enter in the Statement, that until our surplus is assured not merely for the present, but for the future, I do not think we can afford to take up the critical question of remission of taxation. When last year I had to announce a prospective deficit, and when that deficit during the course of the year was increased by our having to undertake military operations on the frontier, I did not bring forward then any proposals to adjust matters by adding to existing taxation, and it seems to me that if we adopt the policy of putting off any proposals of taxation in a time of deficit, we are justified in so doing only because we intend to meet that deficit afterwards by the accumulation of a surplus. As I have pointed out in my Statement, if you take the whole of the four past years together—the two years of famine and war and pestilence, the one year which has just passed when pestilence still remained with us while famine and war had ceased, and the remaining year which is to come to us in the future, and whose events we know not yet—the whole of the four years would produce a very small surplus. You must, therefore, if you wish to judge of the general financial position in India, take the whole four years together, and it is only upon the establishment of a general position of surplus that you are entitled to take into consideration the question of remitting taxes. I have no intention of going into the question of what particular item of our taxation is the proper one to be first taken up for purposes of remission. Of course I have my ideas on the subject, and my opinions on the subject are on record, and are at the disposal of the Government of India when they come to consider the question; but under present circumstances I have no intention whatever of embarrassing the Government of His Excellency Lord Curzon by stating personal opinions on a matter in which they may possibly differ from me. The question must remain open, to be taken up and solved by those who will have the responsibility not only of solving it but of meeting the possible consequences of the remission. There are only two minor questions in connection with this subject on which I will offer some remarks to the Council: the one is with reference to the proposal mada by the Hon'ble Mr. Chitnavis that part of our surplus should be dissipated by reducing the rates of postage; the other, the grievance which the Hon'ble Sir Griffith Evans has brought forward in respect of the Native Christians of the Madras Presidency. As regards the first of these, I would remind the Hon'ble Mr. Chitnavis that in India we have the cheapest postal service in the world. There is no other postal system which pretends to carry a letter outside extremely limited areas, for anything approaching to our half anna rate. The English postage is a penny, that is, an anna. We in this country have a half-anna rate, and that half-anna rate will carry a communication from one end of India to the other. There are two ways of cheapening postage, that is to say, two directions in which it is possible to administer a post office cheaply. You may carry a big weight at a small rate. That is what has been done in England latterly; they have increased, if I remember rightly, the penny rate so that it covers four ounces of a postal letter. That is extremely well adapted to a country where business is carried on on a very active scale, where large business documents have to be sent from one end of the country to the other; and in England these large documents have to be sent in thousands from place to place. The cheapening of postage in a place like England therefore is in the direction of carrying large weights for what is considered to be the unit of postage, *viz.*, a penny. In this country the direction of cheapening postage is different. We have a large

and comparatively poor population whom we want to serve. We do not want to serve them at a loss. We only ask them to pay the actual carriage of their letters. We institute therefore a cheap rate of postage, that is, a specially cheap rate, lower than the ordinary unit rate, for light letters which are sufficient for their wants, but which, if charged at the penny, or unit, rate, would cause to them a considerable expense. It seems to me that the claim to the reduction of postage is founded upon a false analogy. The cost of carrying a letter consists of the maintenance of the office at the place of reception, the carriage, and the subsequent maintenance of the office of delivery. These three items are practically exactly the same whether the letter is a letter of a half tola or a letter of two tolas. Therefore, so far as the matter of calculation goes, the attempt to show that because we carry a package, a newspaper or a letter at so many tolas per anna we ought to be prepared to carry a letter at one tola per anna, is an argument which leaves out of consideration the fact that the actual cost of carrying a letter is very much the same, however big it is. I admit you can carry that argument further, and argue that if you can carry a letter of half a tola for half an anna, you ought to do the same with a letter of four or five tolas; but an arrangement of the kind would too much diminish the postal revenue; and therefore we regard the half anna rate as a cheap postal rate existing outside the unit scale, and adapted in a special way to the correspondence of a poor but extensive population, but not required for what may be called business purposes. Taking the whole of the letters which are posted in India, about 85 per cent. of them are letters of the half anna rate, and that 85 per cent., as I have pointed out, we carry at the cheaper rate; so that practically the bulk of the correspondence in India is carried at the cheaper rate for the people than any other post office in the world attempts.

"As regards the Hon'ble Sir Griffith Evans' remarks regarding probate and administration affecting Native Christians, the only remark I have to make is that it is not a financial question at all—that is, the difficulties in the way are not financial ones. They come into the mesh of the probate and administration duties, like a great many other people do. They may be particularly unfortunate in being caught in the words of the law, whereas other people in similar circumstances, who do not profess the Christian religion, are not caught; but that is not a financial question. As the Hon'ble Mr. Rivaz, to whose department this particular subject naturally belongs, has said, if the Government of India receives representations—definite proposals from a responsible authority and not merely vague statements that something requires remedy—they will obtain favourable consideration in his Department and they will not meet with opposition in the Financial Department.

"The Hon'ble the Maharaja of Darbhanga has made various proposals for diminishing the surplus in the direction of admitting expenditure, and I have no doubt there are a very large number of objects which can be stated as extremely desirable objects of expenditure. I shall not enter upon the question of railways and the reduction of railway fares and the increase of railway conveniences. That is a matter for my Hon'ble colleague Sir Arthur Trevor. Railways in this country do not as a whole pay their way. We lose on the whole; I am talking of the financial results only and leaving collateral advantages out of account. The net earnings of the railways fall short ordinarily by about two crores of the interest we have to pay upon the capital which has been raised for their construction. If we run them at a loss, that loss must be borne in mind before we reduce rates or introduce new conveniences at a cost to the revenue. The Hon'ble Member is not quite right in saying that we ought to regard railways purely from the point of view of public convenience. If we launch out into extravagance in railway management

and cease to make our railways pay, we shall be obliged to curtail construction. We cannot go on increasing a losing business.

"Then among the proposals for expenditure, one thing has been urged upon us both by the Hon'ble the Maharaja of Darbhanga and also by the Hon'ble Sir Griffith Evans, namely, the necessity of supplementing the salaries of the High Court Judges. I do not wish to say anything about this subject. With certain parts of the Hon'ble Member's statements I agree, with certain others I do not. But the question of the High Court Judges' salaries has got to be approached from the same point of view as that of the salaries of other high officials, that is to say, if you can get a good enough man for Rs. 5,000 a year, you need not pay him Rs. 6,000. I am not prepared to say whether to judge by this standard the High Court Judge is properly paid or not, but I apprehend that this is the kind of standard by which the question has to be judged. I would rather drop the question of High Court Judges, because it is a ticklish question; and, as the Hon'ble Sir Griffith Evans has said, it is a matter about which last year I had a passage-of-arms with Sir Henry Prinsep. But I certainly do not agree in the claims that are made on behalf of Sub-Judges and ministerial officers. I have often heard the expressions 'hard-worked and under-paid,' but, whatever may be said as to under-payment, I cannot possibly agree that any officer is over-worked who as a matter of fact works only between 220 and 230 days in a year. That is actually the reckoning of the Subordinate Courts in Bengal. That they work hard during that limited time I do not deny, but, as they work at an average of only four days out of the seven in each week, I do not think it can be called hard work. As regards ministerial officers, I know this question has been raised and has been long argued in Bengal. The ministerial officers can no doubt get all the native newspapers in the place to represent their grievances, and they say it is very hard lines that they should be expected to do their work on Rs. 30 a month; but I would ask the Hon'ble Mr. Allan Arthur, who is one of the leading merchants in Calcutta, whether as a matter of fact he or other merchants pay their newly joined clerks Rs. 30 a month. One thing is extraordinarily irrelevant, and that is the argument put forward by the Hon'ble the Maharaja of Darbhanga, that we ought to pay these men more because they have big families. I think they ought to restrain their procreative proclivities. We want to get men to do our work, and it is notorious that a proffered salary of Rs. 30 a month in Government service would bring forward any number of candidates; and so long as we can get any number of men on Rs. 30 a month I cannot see that we are justified in paying out of the public purse Rs. 40 or Rs. 50, merely because the men who accept service have large families and because they would like to live in greater luxury or comfort. It is a serious business to give the whole of the Government servants an increase from Rs. 30 to Rs. 50 per mensem. I do not know how many thousand clerks there are in Bengal, but it appears to me it would make a big hole in the estimates of His Honour the Lieutenant-Governor if that general scale of pay were to be introduced into Bengal. There were lengthy investigations into the subject when the subject was brought before the Legislative Council of His Honour the Lieutenant-Governor. At that time the Hon'ble Mr. Risley gave a complete answer to the calculations which were made by the committee which recommended an increase. They went through the cost of living in a most extraordinary manner, and made up an estimate as follows: rice had increased by 10 per cent., something else—a principal article of consumption—had increased by 20 per cent., condiments had increased by 230 per cent., total 260 per cent.—average increase 83 per cent. That calculation is preposterous. Every person knows that condiments are only a small part of a man's food, and the fact of this charge having increased to a large extent does not prove that the general cost

of living has largely risen. Then the Hon'ble the Maharaja of Darbhanga tells us that the cost of clothes has increased. It may have increased in one sense, that is to say, officers of that class are accustomed to appear now in more comfortable raiment and better clothes than they used to wear. So far as the actual price of clothing is concerned, there is no doubt that the cost of cotton clothing in this country has decreased. I mention these things merely to point out that these matters have really received very complete investigation, and that complete investigation has not fortified the claims which have been put forward by the Hon'ble Maharaja.

"In my estimates of revenue I observe that one or two objections have been made, partly by the Hon'ble Mr. Mehta and partly by the Hon'ble Mr. Chitnavis. They tell us that we are coming down upon the raiyat and malguzar with demands which they are not able to sustain. I am told by the Hon'ble Mr. Mehta that it is due to the extreme rigid system of revenue. I want to ask him one question. If this revenue system is rigid, how does it come that there are such things as arrears to collect at all? The Hon'ble Mr. Mehta admits that the revenue-officers have been allowed a discretion as to making remissions and suspensions, but he says the rigidity of the system lies in the fact that the revenue-officer does not exercise these powers. He could certainly allege that the system was rigid if the revenue-officer had no powers of the kind, but if the revenue-officers are allowed to exercise powers of suspension and remission and do not exercise them, then I think the argument is that they have not found occasion to do so, and that they have found in each case brought before them that the revenue can be paid, and ought to be paid. There have, as a matter of fact, been large remissions and suspensions of revenue made during the famine, and the Hon'ble Mr. Chitnavis is not correct in thinking that the whole amount of these suspensions have been called in at once. It has been called in in instalments, precisely because our main revenue system is not rigid, and has been adapted in each case to the ability of the revenue-payers.

"Now I come to the subject of Provincial Contracts, a very thorny subject, because it is a subject in which the Government of India has got to meet the claims of eight several bodies, each of whom considers that it has the first right to attention in the matter. The Hon'ble Mr. Mehta has stated the case forcibly for the Government of Bombay. The Hon'ble Mr. LaTouche has told us that it is ridiculous to expect the North-Western Provinces to get on without a very considerable increase. His Honour the Lieutenant-Governor of Bengal has told us of the dreadful jealousies which spring up between various Governments because they are differently treated, and wants to have fully explained to them why one Government gets fifteen lakhs and another Government only gets ten lakhs. I could give some explanation of that. The Hon'ble Mr. Rees, I am glad to say, admits that his Government has been very fairly treated, both in the matter of grants, and specially in the matter of railway construction; but I do not know whether Mr. Rees is acquainted with the complaints we have got from the Government of Madras on the same subject. They do not appear to be at all satisfied. They put forward exactly the same claims as the others, namely, that they are left behind in the race and that they do not get half enough money as compared with other Governments."

The Hon'ble MR. REES: "I regret, My Lord, to have to interpose, but I expressly abstain from any reference whatsoever to the Provincial assignment and the Provincial Balance. My remarks referred to railways, and I purposely left all controversial matters to my friend the Hon'ble Mr. Ananda Charlu to deal with."

The Hon'ble SIR JAMES WESTLAND: "I am glad the Hon'ble Mr. Rees did, for the subject of Provincial assignments is a thorny one. It is very hard lines

upon a Finance Minister that he cannot concentrate all these Governments into one pen and tell them to fight it out, but has to explain to each of them that it ought to be satisfied with the funds it has got. I cannot help remarking that a good deal of this controversy, which I admit is very unsatisfactory, arises out of a departure which has recently taken place from the principles upon which the provincial system of contracts were originally established. I have here the Financial Statement of Sir John Strachey of 1877-78 in which he quotes from a minute written by himself at the time of the Provincial Contracts being instituted. It is well known that Sir John Strachey had a very ample share in the institution and revision of the system. I will read two sentences which will lead me to the precise points I now want to bring forward. He says:

'The Government of India had totally failed to check the constant demands for increased expenditure: there was only one remedy to prevent the demands being made, and this could only be done by imposing on the Local Governments a real and effectual responsibility for maintaining equilibrium in their local finances; there could be no standard of economy until apparent requirements were made absolutely dependent upon known available means. It was impossible for either the Supreme or Local Governments to say what portion of the Provincial revenues was properly applicable to local wants; the revenues of the whole of India went into a common Fund, and to determine how much one owed to another was impracticable.

'To Lord Mayo belongs the honour of applying the only effectual remedy for these serious evils; he resolved to give to the Local Governments the economical standard which they required; to make over to them a certain income by which they must regulate their local expenditure, and to leave to them, subject to certain general rules and conditions, the responsibility of managing their own local affairs.'

"But the Local Governments now claim to work on a principle exactly the reverse of this; namely, that when they have desirable expenditure, for which they do not possess adequate funds, it is obligatory on the Imperial Government to assign to them additional revenues, in order to enable them to meet the demands.

"Now let me go back a bit to theory. No Government can conduct its financial affairs if it permits its expenditure to increase at a faster ratio than its revenue. I take that as a fundamental principle. Well, it is necessary to separate off, as it were, various branches of expenditure and various branches of revenue in order to relieve the Government of India of the strain of applying this limitation to the whole revenue of India and the whole expenditure of India taken together. What it did was this, it assigned certain increasing revenues on the one side and certain increasing expenditure on the other, and it laid upon Local Governments this obligation of limitation in respect of the portion of revenue and the portion of expenditure which was assigned to it. The argument was that you—the Provincial Government—must take care that the portion of the expenditure which is assigned to you does not increase at a greater ratio than the portion of the assignment of revenue. The revenue and expenditure assigned being on the whole equal, it was calculated that this limitation, if properly applied would, as it were, take that portion of the provincial expenditure on the one side and provincial revenue on the other side out of the general limitation, because, obviously, if every Provincial Government kept its provincial expenditure within an increase of its provincial revenue, it would have carried out the necessary general limitation so far as regarded the particular portion of provincial expenditure assigned to it. Take the case of Bombay. A grievance has been made by the Hon'ble Mr. Mehta. The revenues which were assigned to Bombay under the contract of 1892 were so exactly equal to the demands made upon them that for the first four years of the currency of that contract out of some crores of expenditure the total

excess of expenditure came to only R6,000. The finances were then under the management of the Hon'ble Sir Arthur Trevor. That was proof positive, if anything could be proof positive, that the expenditure if properly limited could be limited within the rate of the increase of the revenue. After that we came to settle the contract again in 1897. The Government of Bombay, as the Hon'ble Mr. Mehta tells us, wanted 13 lakhs extra per annum. It had managed to get on under its existing assignment, and, as I pointed out, the existing assignment was sufficient to meet for the first four years of the contract the whole of the expenditure. We said we could not possibly give the additional 13 lakhs asked for, because that would be going beyond the fundamental limitation in the finances of India taken as a whole; we would be allowing an increase of expenditure larger than the available increase of revenue. Therefore the 13 lakhs was refused, and we told the Government of Bombay that it must go on with the same assignment that it had before. The Hon'ble Mr. Mehta, in talking of the negotiations which went on there, referred to a delay which took place in those negotiations, and he considers that delay was made for the purpose of screwing 10 lakhs extra out of Bombay. He did not go on to tell you that we did not get that 10 lakhs, nor did we ask for it. Moreover, the delay was not made at our instance, but at the instance of the Government of Bombay entirely. I think it a little dangerous to depart from the usual rule of public criticism, that is, to refrain from attributing motives, and I make this remark not only with reference to the allegation made in this particular case, but also the further statement by the Hon'ble Mr. Mehta regarding the delay in the pronouncement of the Welby Commission. I think we must take it for granted that, although we cannot account for that delay, the delay at least is not attributable to any intention on the part of Lord Welby or any person in England to do something iniquitous. I do not think one is entitled to call in question the motives of public men who are not here to defend themselves. I have no doubt that the Provincial Governments found themselves straitened in means owing to the calamity of the famine. It is part of the provincial system in India that the savings which occur from year to year from good administration should be piled up in order to meet a possible calamity such as came two years ago. It is a necessary consequence that when that calamity occurs their balances should be dissipated, and the Provincial Governments should find themselves with an empty exchequer. There is a mistake also about this question of balance—a mistake which I tried to correct when Mr. Mehta was delivering his speech. He is quite right in quoting from the Financial Statement, that I said in one paragraph there that the Provincial Government would finish on 31st March, 1899, with a balance of *nil*; but that statement is made in working off a calculation, and, if the Hon'ble Member had read further on, he would have found that, starting from that point, we make a credit of 15 lakhs, so that we convert a balance of *nil* into a balance of 15 lakhs to the good. One thing I want to point out also—the Provincial Governments do not require a working balance. We undertake to meet the claims of the Provincial Governments upon our Treasuries so long as these claims are within the limit of the estimates which have been passed by us. The consequence is that if a Provincial Government starts with a balance of *nil* it is nevertheless perfectly in a position to carry out the whole of its financial operations during the year. The Hon'ble Sir Edwin Collen, for example, spends, I suppose, 15 or 16 crores of rupees a year. He has not got a single rupee to his credit; all that he has to his credit are Budget grants. It is exactly the same with Provincial Governments. They do not require a working balance. His Honour the Lieutenant-Governor has referred to a paper of 1881 which regulates the issues of these balances in meeting the demands of special calamities. He founds upon that a calculation that we ought to give him, in order to carry out

our own principles of contribution, 23½ lakhs. I put against that demand first our contribution of 15 lakhs. I have given further a free grant of two lakhs for distribution at His Honour's discretion, 2½ lakhs which I gave and which are referred to in the third paragraph of the Financial Statement, and a further grant of 10 lakhs which was made last year to the General Hospital. That comes altogether to 29½ lakhs; so that if His Honour returns to me the six lakhs which I have given him extra, our accounts will, so far as this reckoning goes, be exactly square. But I make no such demand: the truth is that that order of 1881 broke down in its operation. The order is that when a calamity comes we call upon Provincial Governments to spend upon it two-thirds of their balances; and the remaining one-third we say we will not touch. But the fact is that with the famine of 1896 came not only a demand for expenditure but a failure of revenue, and this failure in the case of most of the provinces ate up much of the balance which should have, according to the system prescribed by rule, been available for expenditure. However, I quite acknowledge one thing, namely, that the Bengal Government, when famine and plague came upon the land, spent very freely out of its balances. But then the other Governments have done the same so far as their balances were not eaten up by failure of revenue. To make good a great deal of plague expenditure we have had to make large grants to Bombay on account of this very heavy expenditure. We have made grants for the same purpose to Bengal, and we have also made grants to Madras. I am accused of being ungenerous to Madras, but these three lakhs which the Government of India gave to them the other day will show that we have some feelings of generosity even towards the Southern Presidency, although I quite admit the money is given in the ordinary way of business. The rule is that when a Provincial Government's resources are exhausted the Government of India steps in and takes over the expenditure, but we cannot undertake to take over the expenditure *ab initio* and place Local Governments in the same position as they would have been had there been no calamity. That is a claim which has been put forward by more than one of those Governments. But the principles adopted by the Government of India are based on the following views of the Famine Commissioners of 1881:—

'The extent to which the Provincial revenues at the disposal of the Local Governments will enable them to meet famine expenditure is a subject on which we need not enter at length. In a time of exceptional financial pressure such as every period of famine must be, there can be no question that any outlay which is not obligatory should be postponed, and so far as the ordinary and necessary expenditure on public works can be directed to the relief of persons in distress, this also will be advisable. The extent to which aid from the resources of the Central Gvernment should be given will have to be determined as each case arises, and there can be no doubt that in all cases of severe drought this liability will occur.'

"We cannot therefore undertake to relieve Provincial Governments of all anxiety on the subject of famine and plague. When calamities of that sort are abroad we must restrict our expenditure in other directions. It is impossible for us to undertake the expenditure of plague and famine as an Imperial expenditure, and tell Provincial Governments that they can go on with their ordinary expenditure in exactly the same way as if they were not restricted by considerations of current calamity. No doubt figures and statistics can be produced, and are produced, by every Local Government to show that that particular Local Government is the one which requires more generous treatment and has received less generous treatment than any of the others at the hands of the Government of India. I say it is very difficult for a Finance Minister to stand with his back to the wall and argue matters out for each Local Government separately. The only suggestion I can make is that these matters

should be considered not by one Local Government disputing with the Supreme Government, but by the Local Governments combining and informing each other of their respective needs and trying to convince each other of their respective claims.

"The Hon'ble Mr. Smeaton made reference to the question of financing the rice-trade in Burma, and he makes a complaint that we give in this respect a monopoly to the Bank of Bengal. The Bank of Bengal maintains a monopoly, I admit, but it is a necessity of its position. Two or three years ago I was down at Rangoon and had a conference with several merchants of Rangoon upon this very subject. They told me that they objected to the monopoly of the Bank of Bengal, and they would be very glad if, instead of giving these transfers solely to the Bank of Bengal, I would give these transfers also to the Exchange Banks or to merchants direct. I told them I was perfectly willing to do so, but I was convinced they would not take advantage of the offer. The fact is that no merchant can afford to quarrel with this Bank or compete with it. The Exchange Banks in this country have not got spare funds. They will not lay down funds in Rangoon to finance trade, because they have not got spare funds with which to carry out the operation. They prefer therefore to make arrangements with the Bank of Bengal, by which the Bank of Bengal will hold money at their disposal whenever they want it. As a matter of fact, in consequence of my talking over the matter with the merchants in Rangoon, I published a notification in Calcutta at the usual time when we arrange for these transfers, saying that the Exchange Banks and others might tender in competition with the Bank of Bengal for the transfers we had to offer. Not one of them made a tender. It pays them to get their money from the Bank of Bengal in Burma better than to come to me for it in Calcutta.

"The Hon'ble Mr. Allan Arthur has referred to the cost of telegrams. I do not like to say anything more than this, that the matter has engaged the attention of the Secretary of State. How far he has gone is more than I can say, but the obstacle has been the claims of the Companies. Whether we will be able to get round these claims of the Company by giving a guarantee is more than I can say. I have no doubt that after the remarks of such an authority as the President of the Chamber of Commerce of Calcutta, the subject will be taken up again. I dare not follow him on the question of currency, although the remarks he has made will be useful and no doubt will have their weight; still it is not proper for me to deal with the matter otherwise than as one which is under the judgment of a committee sitting at home. I have long refrained from expressing opinions myself regarding currency. It is a difficult subject, and I always find that it is something like a theological question which tends to produce the greatest bitterness of controversy. No person, it would appear, can hold a definite opinion without believing that he is the only person who is right and those that differ from him are wickedly and criminally and intentionally wrong.

"And now, my Lord, it may be permissible to one who is in my position, and who is about to give up charge of the office which he has held for so many years, to utter a word relating to himself personally; and I would be very unwilling to give up my office without expressing the great obligation under which I have been placed during the whole of my service by the officers and subordinates of the Financial Department. I would not mention any names. There are too many whom I personally know and of whom I have an extremely high opinion. There are too many of them to bring their names before the Council, but there is one name I would mention. It is a matter of great grief to me that my last year of office should be signalised by the death of one officer who during part of my tenure of office was my right hand man, who was distinguished above all officers by his knowledge of the work of the department, and who was eminently suited to be

the head of it—I refer to Mr. Stephen Jacob, over whose grave I stood last December—a man whom I had known for twenty years, outside the department as well as in it, and for whom every member of the department had the profoundest respect. And now, my Lord, I wish to thank the Hon'ble Members for their goodness in referring to me personally and to the circumstances under which I hand over charge of my department to my successor. I am pleased to be able to do so at a time when everything looks prosperous. It depends neither upon me nor upon him, nor does it depend on Your Excellency's Government, to make sure that that state of things should be maintained. I hope there are good times in store, that this season of prosperity will last sufficiently long to enable Your Excellency's Government to take up the questions which have been pressed upon us to-day, namely, that of the remission of part of the existing taxation. It would have given me great pleasure, after having had something to do with increasing the people's burdens in this land, had I had the opportunity of taking part in the remission of them. I believe it, for the reasons I have stated, premature to do so, and therefore that task I hand over to my successor. In this country changes of *personnel* are very frequent. One's name remains for a short time, but I think one's work remains longer; and although perhaps my name and its connection with the Financial Department of the Government of India—a connection lasting now 29 years—may shortly be forgotten, yet I am convinced that part of my work will remain behind me, and that I shall have done something by that work to make some return to India for all that I have received from her."

His Excellency THE PRESIDENT said:—"I am glad to think that I need not detain my Hon'ble colleagues by remarks of any great length. The discussion to which we have listened has been far from devoid of interest; but although it has elicited differences of opinion, such as may legitimately be expected, it has, on the whole, been marked by an unusual unanimity of sentiment, due, no doubt, in the main to the prosperous circumstances in which we find ourselves, but nevertheless gratifying both to the Government and to the Financial Member, with whose last Indian Budget we are dealing. The official life of Sir James Westland, to whose affecting farewell we have none of us listened without emotion, has been, as he has just told us, indissolubly bound up with the finances of India. This is the seventh Budget that he has introduced into the Legislative Council of Government. Few Chancellors of the Exchequer in England, where the conditions of public employment are more permanent, have introduced a greater number. I doubt if any Indian Chancellor of the Exchequer has introduced so many.

"In neither country, I imagine, has any guardian of the public purse been confronted in the course of his official career with more marked vicissitudes of fortune than has Sir James Westland. He is happy, I think, in this—that his fat years have followed upon his lean years, instead of preceding them; and I can well believe that the anxieties and worries which have distracted him in times past are now forgotten in the glow of honourable satisfaction with which he can regard the termination of his labours, and can congratulate India, not less than himself, that he leaves her upon an ascending plane of material and economic progress.

"If the Finance Member in India is chided and reproached for his misfortunes in bad times, at least he should not be robbed of his share of the credit for better days; and I am sure that Council will cordially join me in assuring Sir James Westland of our grateful appreciation of his long and arduous labours, and in wishing him equal success in whatever work he may set his hand to in the future.

"With regard to his speech, to which we have just listened, I would also say this—and I would say it from personal knowledge—that he has represented himself as a much less charitable individual than he really is. To myself it is, I confess, a source of no slight pleasure that the first Financial Statement to which I should have listened in this Council has been one of so gratifying a description. My belief, more than once expressed on previous occasions, in the economic vitality of this country, in the solidity and range of its resources, and in its capacity for an industrial expansion far beyond what has hitherto been deemed possible, is confirmed by the experience of the past year. I recognise that the circumstances have been exceptionally favourable. War has fortunately ceased upon the frontier. There has been a high and an almost uniform rate of exchange. There has been a notable expansion in certain industries. The harvests have been abundant. On the other hand, there have been corresponding sources of depression and alarm in the recurrence of plague, which neither the resources of science nor the utmost administrative vigilance have so far succeeded in defeating, and which has made heavy inroads upon the Imperial as well as upon the Provincial exchequers. That the net result of these contending influences should yet be a balance of $4\frac{3}{4}$ crores is indicative to my mind not merely of uncommon powers of recuperation, but of a marvellous latent reserve of strength.

"We have been criticised in these circumstances for not having proposed a remission of taxation; and that criticism has found capable expression in more than one quarter at this table to-day. I quite understand, and I do not in any degree deprecate, such criticism. It is the natural and legitimate desire of taxpayers all over the world to obtain relief from what they regard, or at least represent, as their burdens, and to feel the passion for relief swelling in their bosoms in proportion to the apparent existence of the means for satisfying it. I doubt not that the payers of income-tax would have welcomed an extension of the scale of exemption. The Hon'ble the Maharaja of Darbhanga pleaded their cause with great ability, and was anxious for the extension of that scale from Rs. 500 to Rs. 1,500; the Hon'ble Mr. Charlu took much the same view; and the Hon'ble Mr. LaTouche pleaded for some relaxation of the same system. I may add also that it is equally the desire of Governments not merely to earn the popularity that may result from a remission of taxation—although my experience is that popularity so won is a very ephemeral asset—but also in the interests of good government itself to reduce the burdens upon the people. But there are considerations in this case, both normal and exceptional, which decided us to take the opposite course.

"The normal consideration of which I speak was that of ordinary caution. Though I have spoken of the astonishing recovery of the past year, though I believe it to represent a much more than transient improvement in the resources of the country, and though Sir James Westland budgets for a surplus of nearly 4 crores in the coming year, I am yet too conscious of the part played by what I may describe as the swing of the pendulum in the economic world to be willing to sacrifice any portion of a hardly won advantage by being in too great a hurry. The Hon'ble Sir Griffith Evans has reminded us that India is a land of surprises, and these surprises are liable to start into existence equally in the spheres of politics and finance. Even in the more sober atmosphere of England we have had during the past year a startling instance of this phenomenon; for whereas, in the plenitude of our wealth and substance, the Government of which I was a member a year ago agreed to a remission of taxation by which we forfeited in the case of one duty alone a sum of nearly $1\frac{1}{2}$ million sterling without, so far as I remember, exciting any gratitude from anybody, within the space of a year the balance has so completely swung

round owing to unexpected calls that, if what I read in the papers be correct, there will be no cause for surprise should the forthcoming Budget contain proposals for the recovery of considerably more than was then remitted. To reduce taxation in one year and to re-impose it in the next is a condition to which Governments have frequently been driven by unforeseen events. But it is one which it is better to avoid by an excess of prudence at the time than to meet with whatever ingenuity at a later period.

"The special circumstances which more even than these general considerations decided us against any remission of taxation in the forthcoming year are known to all. It is not unlikely that we may be invited before long to inaugurate momentous changes in the financial system of the Indian Empire. What these changes may be none of us as yet know, and we reserve our entire liberty to examine and consider them when they are submitted to us by Her Majesty's Government as the result of the expert enquiry now proceeding in London. But it must be obvious to the least informed that the prospects of any such change as we may decide to undertake must depend very largely upon the position and the credit that we enjoy at the time in the eyes of the world; that they will be enhanced by the evidences of financial strength to which a large balance and expanding resources are the best testimony; and that they might be correspondingly imperilled by any stringency or insecurity here. We may be called upon to take steps that will affect the entire future of Indian trade and finance. We cannot afford, therefore, to slacken our hold upon any implement that may conduce to their success.

"There is another respect in which we may be thought to have carried caution to excessive lengths. The Hon'ble Member has framed his estimates for next year upon the basis of a $15\frac{3}{4}d.$ rupee. This has been variously explained as typical of the prudence of one whom I may perhaps without offence describe as 'an old financial hand,' or as prompted by a chivalrous desire to present a larger surplus than is apparent on the surface to his successor. I understand that both interpretations have been repudiated by the Hon'ble Member to-day. May I however add—and I do not think that I shall err on the opposite side of optimism in so doing—that this underestimation, for so I think it may be called, must not be taken to indicate the least want of confidence on the part of the Indian Government. For my part I have every belief that the rupee will retain throughout the ensuing year the same position that it has done during the past; and I may even go further and say that I shall be disappointed if we are not able to invest the 16*d.* rupee with a greater durability than any which it has hitherto attained.

"I am glad to have heard in the speeches of those Hon'ble Members who have special knowledge of the circumstances and needs of outlying Provinces, notably in the speech of the Hon'ble Mr. Rees speaking for Madras, and I think, if we will allow me to say so, speaking for interests rather more wide than the railways of Madras, and in the speech of the Hon'ble Mr. Spence speaking for Bombay, a generous recognition of the assistance that has been rendered by the Government of India to those of the subordinate Governments who have been in distress. For a few months before the Budget is finally made up, and while the lips of the Finance Member are still sealed, he is the object either of passionate objurgations or of piteous appeals from those who think that they are going to get less than their due share of the Imperial superabundance, and who in the agony of their apprehension not infrequently appeal to the large-hearted impartiality of the Viceroy to rescue them from the niggardly prepossessions of the Finance Member. Such at least has been the experience of Sir James Westland and myself during the past few weeks. Meanwhile the Finance

Member holds his counsel, and behind a front of iron conceals a melting heart. The result is that, now that the figures have transpired, it is I believe generally admitted that we have dealt liberally with our suffering brethren.

"The Hon'ble Mr. Mehta indeed argued that inadequate treatment had been given to his Province of Bombay. Now let me assure him that I have specially interested myself in the fate and fortunes of Bombay. I have been in frequent correspondence with its Governor on the subject, and I have been most anxious that financial justice should be tempered with some financial mercy. I believe that the Government of Bombay are themselves on the whole content with the treatment meted out to them ; and I was glad to find that the Hon'ble Member, although he commenced his remarks in a tone of criticism, ended them in a spirit of generous, and I might almost say of wholesale, congratulation. The ordinary grants, as I may call them, that we have made to the Provincial Governments, in relief of the heavy burdens which have been laid upon them by the direct charges of plague and famine, amount to 42 lakhs. We have given to them in addition an extraordinary sum of 70 lakhs, a gift which, while it is no criterion of ordinary opportunities or deserts, and while it must not be interpreted by them as a precedent upon which they can rely, is yet, I hope, fairly proportionate on the present occasion both to our abundance and to their needs. The Provincial Contract System is one for the successful working of which a good deal of consideration is required at both ends of the scale ; and I hope that the Provincial Governments, while they press upon us the obligations of munificence, will not lose sight of the corresponding obligation of economy.

"I am entirely in agreement with some of the remarks that fell from the Hon'ble Mr. Arthur with respect to the present high rate of telegraphic charges. I regard that rate as inimical to trade, as being a barrier to the ever-growing intercourse between India and the mother country, and as being obsolete and anomalous in itself. I have already considered the question, and I may say that I have placed it in a category of twelve important questions, all of them waiting to be taken up, all of them questions which ought to have been taken up long ago, and to which, as soon as I have the time, I propose to address myself. What these questions are I do not propose to relieve the curiosity of Hon'ble Members by now informing them. It is conceivable that I may have to add a thirteenth to their number in respect of the appeal of the Hon'ble Sir Griffith Evans with regard to the Small Cause Court Judges in the Mufassal. That is a question with which I am necessarily not myself familiar, but, while I understand the Finance Minister to have answered him on the point of finance, the impression left on me by Sir Griffith Evans' remarks was this, that he was arguing the case not from the point of view of pay but from that of character. It is from that point of view that the question is deserving of the attention of the Indian Government, which attention I shall be glad to give to it But another question has been raised by an Hon'ble Member sitting at this table which I am unable to add to the dozen already alluded to. I am unable to add to it the suggestion of the Hon'ble Mr. Chitnavis that I should acquiesce in the reduction of the British soldiers in India. I can assure him that no such proposal will form part of the programme of the Government of India during my time.

"As regards Railways, Sir James Westland has indicated in his Budget Statement that for the moment our motto is *festina lente*, although this must not be taken to mark any policy of revulsion from that which has lately been pursued. There are times, however, at which it is desirable to go a little slower than the maximum pace. I am, however, rather in sympathy with what fell from the Maharaja of Darbhanga concerning the encouragement of light

gauge feeder railways; and since I came here I have authorized the construction of some hundreds of miles of such lines. I should say in this context that one of the subjects to which I propose to turn my attention while at Simla is the whole question of the policy of Government in respect of railways in India, and our attitude towards private enterprise in particular. I am not satisfied with a condition of affairs which lays the Indian Government open to the charge—whether it be true or false I have not as yet the knowledge that enables me to pronounce—of indifference to the offers of assistance that are made to it, and of hostility to the investment of British capital in the country. We may hope much from fixity of exchange if we can succeed in establishing it. I should be glad if the Government could at the same time by its own attitude encourage what I hope may before long be a pronounced inclination towards India of the financial currents in the mercantile world.

"The subject of Irrigation is one that appeals very closely to my concern. We are all familiar with the aphorism about the service of the statesman who can make two blades of grass to grow where only one grew before, and in India we do not need to be reminded of the direct and almost immediate benefit to the agrarian class that results from an increase in the area of cultivation. I shall not embark upon any discussion of the rival advantages of irrigation and railways, because such a discussion would not be germane to this debate, and is in reality futile. The Government of India has never been inclined to balance its duties in these respects one against the other, and would, I think, be unwise to do so. Nevertheless the annual allotment of 75 lakhs which has for some time been made to irrigation might, I think, with advantage be extended; and I have persuaded Sir James Westland in his estimate for the forthcoming year to give me another 10 lakhs for that purpose. I had asked for more, and he would have been willing to give me more. But a scheme of irrigation is not a project upon which you can start quite as expeditiously or as easily as you can upon a railroad. In the first place, the best areas for the purpose have already been utilised. Fresh schemes are likely to be less profitable, and therefore require more consideration, than their predecessors. In the next place, very careful surveys require to be made, levels have to be taken, a staff must be got together, an investigation of existing rights has in all probability to be undertaken. It is not the case therefore, as is sometimes imagined, that as soon as the cheque is drawn, it can at once, so to speak, be cashed in terms of tanks and canals. For these reasons it has been found that we are not in a position in the forthcoming year to spend more than an additional 10 lakhs upon irrigation; although in succeeding years, if our finances continue to flourish, I hope that we may present to you a more extended programme. I am about, in the course of a visit to the Punjab, to inspect the great irrigation works that have been taken from the Chenab River, and which were favourably alluded to in the speech of the Hon'ble Pandit Suraj Kaul, and I shall hope to learn a good deal there both concerning the present system and as to future requirements.

"It only remains for me to thank you for your co-operation in the labours of the session which is now about to conclude, to terminate this discussion and to announce that this Council is adjourned *sine die*."

G.I. C. P. O.—No. 801 F. & C. D.—15-4-99.—1270.—R. N. D.

GOVERNMENT OF INDIA,

FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT

FOR

1900-1901.

CALCUTTA:

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FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT FOR 1900-1901.

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FINANCIAL STATEMENT FOR 1900-1901.

PART I.

INTRODUCTION.

1. In introducing the Financial Statement last year my predecessor dwelt with cautious satisfaction on the rapid recovery of the country from the effects of famine. It was generally hoped, and not without reason, that the two years of good harvests which had contributed to this recovery, were ushering in a period of agricultural prosperity, and that the word famine would not be on men's lips again for some time. That hope was doomed to cruel disappointment. While the ravages of plague continue, India has once more been afflicted by a visitation of famine nearly as widespread as the greatest famines of the century, and, in many respects, unprecedented in intensity. The significance, therefore, of the figures which I have to submit to this Council will very largely relate to the agricultural situation.

2. The Indian Financial Statement has to deal with three years. In the first year of the present triad, 1898-99, the total revenue was £67,595,815 and the expenditure charged against Revenue was £64,954,942. The accounts therefore yield a surplus of £2,640,873, a surplus due to the abundant harvests of 1897 and 1898. The results of those good harvests continued to make themselves felt in the earlier months of the year now passing away, 1899-1900. My predecessor had estimated a surplus of £2,621,800. He had, moreover, taken exchange at a very prudent figure, and it was anticipated that this surplus would be considerably exceeded. It has been slightly reduced. The Revised Estimates for 1899-1900 show a Revenue of £68,532,400 and an Expenditure of £65,979,600, while the surplus works out at £2,552,800. It is needless to say that famine, in the closing months of the year, has caused the disappointment. If the crops had not failed the year would have closed with a surplus in the neighbourhood of £4,500,000 or of 6 to 7 crores. Without famine, again, the year upon which we are shortly entering, 1900-1901, might have been expected to show an ample surplus. The Budget Estimates are—

	£
Revenue	70,155,800
Expenditure	69,995,500
Surplus	160,300

Accounts of 1898-99.

3. Turning now to the examination of the total results of each year, the differences between the Accounts of 1898-99, which were published two months ago, and the anticipations formed in March 1899, will be seen in the following table:—

	Revised Estimate.	Accounts.	Accounts, better.	Accounts, worse.
REVENUE.				
India . . . . . Rx.	101,217,400	101,062,361	...	155,039
England . . . . . £	232,500	242,561	10,061	...
Exchange . . . . . Rx.	116,200	121,771	5,571	...
TOTAL . Rx.	101,566,100	101,426,693	...	139,407
EXPENDITURE.				
India—				
Imperial, Provincial, and Local . . Rx.	71,603,300	71,510,267	93,033	...
Adjustment of Provincial and Local Surplus or Deficit . . . . Rx.	+1,417,900	+1,467,351	...	49,451
NET . Rx.	73,021,200	72,977,618	43,582	...
England . . . . . £	16,323,700	16,303,197	20,503	...
Exchange . . . . . Rx.	8,161,800	8,184,568	...	22,768
TOTAL . Rx.	97,506,700	97,465,383	41,317	...
SURPLUS . Rx.	4,059,400	3,961,310	...	98,090

The differences are small and do not call for comment. It will be noticed that the figures in the above table are set forth in a different form from that adopted in the statements in the Appendices to this Budget Statement. The change in the form of the Appendices is the result of a decision to make an important change in the form of the Estimates and Accounts which I will now explain. The table in the preceding paragraph is the last place in which the now familiar but much misunderstood headings of "Rx." and "Exchange" will appear in this or in future Financial Statements.

Change in the Form of Accounts.

4. The method in which our combined accounts of transactions in India and in England have hitherto been stated may be shortly described as follows. In respect of Revenue and Expenditure, including Expenditure not charged against Revenue, we had, first, columns showing the rupee transactions in India in tens of rupees; secondly, a column showing the sterling figures in pounds sterling; thirdly, a column headed "Exchange" showing the addition required to the sterling figures in order to convert them into rupees, or rather tens of rupees, this addition being the difference between the equivalent of the sterling at a conventional rate of exchange of 2*s.* the rupee and at the average rate obtained for Council Bills for the year; and, lastly, a column which gave the figures of the preceding columns added together and exhibited the total of the rupee and sterling transactions in tens of rupees. These entries showed with absolute accuracy the figures for rupee and sterling transactions both separately in tens of rupees and in pounds sterling, respectively, and when combined, in tens of rupees, while the rupee equivalent of the sterling figures was readily ascertainable by adding together the columns for £ and "Exchange." Nevertheless the method of stating exchange in a separate column gave rise to misapprehension. The figures under the head Exchange, of great magnitude since exchange fell largely below the former rate of 2*s.* the rupee, were frequently confounded by the public with real losses by exchange. To prevent this misapprehension, the meaning of the word Exchange, as used in the Accounts and Estimates, was clearly explained in footnotes, but these did not suffice wholly to disabuse the public, or even English financial experts, of the erroneous impression. Footnotes are not always read. Moreover, the separation of a portion of the rupee equivalent of the sterling figures under the title of "Exchange" was often criticised on the ground that it was based on the assumption of a fictitious rate of exchange, namely, 2*s.* the rupee, and that the figures in the column did not really represent Rx. or indeed any other monetary unit. However, in the absence of any stable rate of exchange between India and England, it was not till now found practicable to devise a better method of converting and combining the rupee and sterling accounts. Next, in respect of the figures falling under the Debt and Deposit heads, the rupee figures were shown in one column headed "Rx." and the sterling figures in another headed "£", figures relating to exchange being shown in the "Rx." column, but not distributed over the separate heads; the sterling figures and the ten rupee figures, without any addition for exchange were, however, added together in the column for the total. These combined totals under the separate heads indicated no precise facts, for they represented neither a stated number of tens of rupees nor of pounds sterling, and in recognition of this the total column had no heading assigned to it. The Government of India had always recognised that this plan of stating the combined accounts was open to serious criticism, but they acquiesced in its continuance, because complications of this nature seemed inseparable from a system wherein transactions stated in two currencies having no stable relation in value are combined in one account.

5. The adoption of a gold standard for India, on the basis of Rx15 = £1, having linked the Indian currency with that of Great Britain, and having given a stable rate of exchange that will only vary within the gold points on either side of 1/6*d.* to the rupee, it has been decided to remove the misapprehension connected with the present method of statement of exchange in our accounts, and to outflank the difficulty of stating the totals of the Debt and Deposit figures, by the simple expedient of stating the figures in fifteens of rupees instead of tens of rupees. This is equivalent to converting the whole account of revenue and expenditure into sterling at the rate of 1/6*d.* the rupee, and the combined figures under the Debt and Deposit heads represent with close accuracy so many pounds sterling. Advantage of the opportunity has

been taken to discontinue altogether the use of the symbol "Rx.," with which the misapprehensions described above were undoubtedly connected.

The main changes in the form of the estimates and accounts are—

(1) The Imperial and Provincial-Local Revenue and Expenditure in India are shown in separate columns in rupees instead of in tens of rupees as formerly;

(2) The totals under each head in the India columns are stated in £ at the rate of R15 to the £;

(3) The column headed "Exchange" is omitted;

(4) The "total" column is the sum of the Indian total column and the sterling column;

(5) Any small differences connected with exchange caused by variations of the actual rates from the fifteen rupee standard are brought to account through the heads XXIV.—Exchange as Revenue, or 31.—Exchange as Expenditure, as the case may be.

6. Having thus explained the reasons and nature of the change of form, I give in the new form the same comparison that was given in the old form in the table in paragraph 3:—

	Revised Estimate.	Accounts.	Accounts, better.	Accounts, worse.
REVENUE.	£	£	£	£
India	67,478,300	67,353,254	...	125,046
England	232,500	242,561	10,061	...
TOTAL	67,710,800	67,595,815	...	114,985
EXPENDITURE.				
India—				
Imperial, Provincial, and Local	47,735,500	47,673,511	61,989	...
Adjustment of Provincial and Local Surplus or Deficit	945,300	978,234	...	32,934
NET	48,680,800	48,651,745	29,055	...
England	16,323,700	16,303,197	20,503	...
TOTAL	65,004,500	64,954,942	49,558	...
SURPLUS	2,706,300	2,640,873	...	65,427

The final result is not of course affected by the change in form. The surpluses of £2,706,300 and £2,640,873 in the new form are the equivalents at 16*d.* the rupee of the surpluses of Rx. 4,059,400 and Rx. 3,961,310 in the old form. The same is true of the total Revenue and of the total Expenditure in any Accounts and Estimates in which the average rate of exchange is taken at exactly 16*d.* the rupee, but not in any in which the average rate differs from that standard. The rate was 16*d.* the rupee in the Revised Estimate of 1898-99, and the total Revenue shown in the new form, £67,710,800, is the equivalent at 16*d.* the rupee of the total Revenue shown in the old form, R1,01,56,61,000, and the total Expenditure, £65,004,500, the equivalent of R97,50,67,000. But in the Accounts the average rate of exchange slightly differed from the standard rate, being 15·9784578*d.* the rupee. The total Revenue in the new form, £67,595,815, converted into rupees at 16*d.* the rupee, is less than the total in the old form by R3,29,700; the total Expenditure, £64,954,942, similarly converted, is less than the total in the old form, R97,46,53,830, by the same amount.

These differences are caused by the alteration in the treatment of the difference in the equivalents of the sterling figures when converted at 16*d.* the rupee and at the actual average rate. That difference under the old form was distributed over the various heads of Revenue and Expenditure, and under the new form is not so distributed but brought to account through the head XXIV or 31.—Exchange.

The Famine Relief and Insurance Entry.

7. Before leaving these arid questions of Accounts, I should also like to draw attention to the change (in the Revised Estimates of 1899-1900 and the Budget Estimates of 1900-1901) in one entry, under the head of Famine Relief and Insurance, which may have escaped Honourable Members. The recent Famine Commission suggested that the full amount of one-and-a-half crores or £1,000,000 should be provided in the Estimates for the Famine Grant, a recommendation in which the Government entirely agreed. That is to say, the Famine Grant, or the unappropriated balance thereof, will, in ordinary years, when receipts exceed expenditure, be a surplus within the surplus. But the allocation of this first surplus in recent years has been obscured by the practice of charging against it expenditure on works which are not exclusively of a protective, *i.e.*, famine character. To make the situation clear it has now been decided that protective works, the cost of which may be charged against the Famine Grant, shall include only such works as may be sanctioned solely and exclusively in view of their value as a protection from famine. This is an extension to Railway works of a practice which has been uniformly followed in respect of Irrigation works. The programme of purely protective Railway works has been practically exhausted, and that of Irrigation works has been much reduced of late years, and, though the latter may be capable of some expansion, the expenditure on these works will not be large, while the amount required to cover the loss on the Indian Midland and Bengal-Nagpur Railways, which it was specially decided to charge to the grant some years ago, will not usually exceed ₹30,00,000. There will therefore, now that the grant is relieved from charges for such Railways as the East Coast and South Indian, be a large balance in normal years when there is no direct expenditure on famine, a balance likely to increase as the loss on the Indian Midland and the Bengal-Nagpur lines diminishes. It has hitherto been the practice to show this unappropriated balance under the heading of Reduction of Debt, a heading which has puzzled people who ask how there can be a reduction of debt in a year when fresh loans are raised or in which no debt is discharged? We hope to clear up the difficulty by altering this heading to that of Reduction or Avoidance of Debt. It may lead people to grasp more readily what is actually happening in a normal year. In such a year the Indian Government raises more revenue than it actually requires to meet its ordinary charges against revenue by the amount of the unappropriated balance of the Famine Grant. This amount is devoted to expenditure on public works which would otherwise have to be provided by loan. For instance, in a normal year, in which ordinary revenue and expenditure balanced, the Government of India instead of raising a loan of three crores for public works would be able to reduce the three crores by the unappropriated balance, say a crore, of the Famine Grant. Less debt would be incurred in normal years and the credit of Government would be higher, when it was compelled to borrow.

Part I and Part II.

8. Another change is introduced into the Financial Statement this year. Honourable Members are aware that Part I of the Financial Statement is the only part which is actually inflicted on their suffering ears. Part II, Details of Accounts and Estimates—on which no doubt they fling themselves eagerly when this meeting terminates—was separated off from the main statement some ten years ago, in order to release the main statement (Part I) from being overloaded. Sir David Barbour, a master of clear exposition, effected the separation. Since that time Part II has always been compiled by the Financial Secretaty but has issued under the signature of the Finance Member. I think sufficient experience has been obtained to show that the permanent relegation of the Details of Accounts and Estimates to a second chapter or part is useful. It is proposed to continue this practice and to publish Part II with Part I. But as Part II is prepared by the Financial Secretary, it should bear his signature, and its relation to Part I should be explained.

Revised Estimates of 1899-1900.

9. It has already been stated that the surplus of £2,621,800 taken last year, which there was so much reason to think would be exceeded, has remained practically the same, being £2,552,800. Receipts improved by £607,400, but the expenditure increased by £676,400, reducing the anticipated surplus by £69,000. The principal differences will be seen in the following statement:—

Estimates of 1899-1900.

Principal Heads of Revenue.	Revenue. Budget Estimate.	Revised Estimate.	Difference, +Better —Worse.
	£	£	£
Land Revenue	18,427,900	17,240,800	—1,187,100
Opium	4,002,500	4,403,800	+401,300
Salt	5,838,100	5,879,100	+41,000
Stamps	3,264,700	3,231,700	—33,000
Excise	3,852,200	3,860,600	+8,400
Customs	3,099,100	3,153,300	+54,200
Other Heads	6,060,300	5,959,700	—100,600
TOTAL PRINCIPAL HEADS	44,544,800	43,729,000	—815,800
Interest	619,000	604,600	—14,400
Post Office, Telegraph, and Mint	2,043,400	2,466,300	+422,900
Receipts by Civil Departments	1,183,700	1,175,300	—8,400
Miscellaneous	522,200	545,300	+23,100
Railways	15,640,600	16,464,300	+823,700
Irrigation	2,300,700	2,415,200	+114,500
Buildings and Roads	458,800	441,800	—17,000
Receipts by Military Departments	611,800	690,600	+78,800
TOTAL REVENUE	67,925,000	68,532,400	+607,400

	Expenditure. Budget Estimate.	Revised Estimate.	Difference, +Better —Worse.
	£	£	£
Direct Demands on Revenue	7,568,300	7,467,500	+100,800
Interest	1,964,400	1,954,500	+9,900
Post Office, Telegraph, and Mint	1,985,100	1,972,100	+13,000
Salaries and Expenses of Civil Departments	10,913,400	10,782,200	+131,200
Miscellaneous Civil Charges	4,072,400	4,051,900	+20,500
Famine Relief and Insurance	753,100	2,072,900	—1,319,800
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	2,400	2,400	*Nil.*
Railway Revenue Account	16,133,400	16,472,700	—339,300
Irrigation	2,223,200	2,241,800	—18,600
Buildings and Roads	4,536,000	4,130,800	+405,200
Army Services	15,768,000	15,029,600	+738,400
Special Defence Work	...	200	—200
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	65,919,700	66,178,600	—258,900
Add—Provincial Surpluses	...	247,000	—247,000
Deduct—Provincial Deficits	*616,500*	*446,000*	—170,500
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	65,303,200	65,979,600	—676,400
Surplus	2,621,800	2,552,800	—69,000

10. Revenue shows a falling-off of £1,187,100 or 178 lakhs under the head of Land Revenue. This is mainly due to shorter collections and to remissions rendered

necessary by famine. The principal losses occurred in the Central Provinces 35 lakhs, Punjab 37 lakhs, and in Bombay 84 lakhs. The collections in Madras also fall short of the Budget Estimate by about 19 lakhs owing to scanty crops. Opium, however, has come to the rescue with 60 lakhs owing to Bengal Opium fetching better prices. Customs show an increase of over 8 lakhs; a loss in the excise duty on cotton goods on the Bombay side and in the export duties on Burma rice diverted to India, is more than counterbalanced by the new countervailing duty on beet sugar and a larger import of spirits. Receipts from Post Office, Telegraph, and Mint improved by £422,900 or over 63 lakhs. The Mint brought in over 45 lakhs, 32 lakhs came from the profit on new silver coinage, and the remainder was derived from profits on a large coinage of copper coin required for famine relief, and on an increased dollar coinage for the Far East. An increase of 13½ lakhs occurred also under the Telegraph earnings, due to the great number of telegrams relating to the war in South Africa and to transactions in grain, many of them speculative. The famine was also largely responsible for an increase in gross receipts of nearly £820,000 or nearly a crore-and-a-quarter under Railway receipts. The real increase from this cause was even larger than this figure would make it appear, for the Railway earnings had fallen off in the earlier months of the year, and there was a good deal of lee-way to be made up in the autumn. The Railways that contributed principally to this result, taking the difference between the Budget and Revised Estimates of their net earnings, were the—

			Lakhs.
Rajputana-Malwa with a net improvement of			30
East Indian	„	„	26
Bengal-Nagpur	„	„	16
Oudh and Rohilkhund	„	„	12
Indian Midland	„	„	7

On the other hand, the check in the export trade to our western seaboard, due to plague and famine, resulted in a net loss on the Great Indian Peninsula of 30 lakhs and on the North-Western of 13 lakhs. The net increase in the total Railway receipts, in spite of the large increase in gross receipts, did not exceed 73 lakhs or £484,400. There was also a net improvement under Irrigation of over 14 lakhs, largely owing to the failure of rain in the Punjab.

11. There is not much to arrest the attention of any one running his eye down the comparative column in the Expenditure figures, until the entry of Famine Relief and Insurance is reached, except a satisfactory reduction under Salaries and Expenses of Civil Departments of about 20 lakhs, due almost entirely to the fact that the reserve for Plague expenditure was scarcely trenched upon, the Provincial Governments having generally kept the expenditure on plague within their Provincial grants. The difference shown in the statement above in the entries in the Budget and Revised Estimates under Famine Relief and Insurance is £1,319,800 or nearly two crores. This is, of course, the difference under that entry. But, with reference to my previous explanation, I may point out that the entry under Famine Relief and Insurance does not show the whole of the Famine Grant. To any critic who might ask where, then, in the Budget Estimate is your total crore-and-a-half, the answer is that part of the Famine Grant is shown in the Railway Revenue Account. It may be well to clear up this matter, once for all, since there has been some misunderstanding about it, by running through the total provision for famine purposes made in the Budget and Revised Estimates. Last March the total Famine Insurance Grant, £1,000,000 or one-and-a-half crores, was appropriated as follows: 113 lakhs to Famine Relief and Insurance, including Famine Protective Works and Avoidance of Debt, while 37 lakhs was taken in the Railway Revenue Account to cover the net loss on the Bengal-Nagpur and Indian Midland Railways. The total provision made for famine purposes in the Revised Estimate is £2,162,400 or 324 lakhs. Of this, £2,054,800 or 308 lakhs will, it is expected, be devoted to direct famine relief in British districts. A small sum of £18,000 or 2¾ lakhs will also be applied to certain Protective Irrigation Works. Both of these sums are charged under Famine Relief and Insurance. An amount of £89,500 or 13½ lakhs taken in the Railway Revenue Accounts will suffice to make good the interest on the Bengal-Nagpur and Indian Midland Railways owing to the improved earnings, mainly on the former Railway. Of the expenditure on direct famine relief the Central Provinces, where the famine made itself earliest felt, absorb 154 lakhs, Bombay takes 110 lakhs, the Punjab accounts for 22 lakhs, Ajmere 17 lakhs, and other Provinces 4 lakhs.

I may also mention here that loans have also been made to Native States to the amount of 48 lakhs, but these are, of course, not charged against Revenue.

The increase of £339,300 in the Expenditure chargeable to the Railway Revenue Account was required to earn the larger Revenue. The large saving of £405,200 in the grants for Buildings and Roads represents the usual lapses from the grants for Civil Works which were especially large this year owing to the exigencies of famine requiring greater attention to relief works and to economies in ordinary expenditure. Army expenditure shows a reduction of £738,400 owing chiefly to the despatch of troops to South Africa, Ceylon, and Singapore, the cost of which will be borne by Her Majesty's Imperial Government, and a considerable decrease in the payments for Ordnance stores in England also contributed to the result. The correcting entries after "Total Expenditure, Imperial and Provincial" relate to the net improvement in the Provincial Accounts as compared with the Budget Grants. The Famine expenditure has been mainly Imperial, and certain Provinces, principally Burma and Bengal, exempt from famine, have participated in the general improvement that, apart from famine, has taken place, to the extent of some 70 lakhs.

Before dismissing the fiscal history of the passing year, it may be noted with satisfaction that we were not obliged to have recourse to a loan. My predecessor left me with high balances, and it was decided last March to husband the anticipated surplus of the year in view of the pending report of the Currency Committee. We have not found it necessary to use a single rupee of the surplus for the purposes of our currency reforms, and it was therefore available and sufficed for all our other purposes.

Rate of Exchange.

12. The rate of exchange taken for the Budget Estimate last March was $15\frac{3}{4}d.$ I think Sir James Westland would be the first to admit that he caused some surprise by taking so modest a figure. However that may be, the average rate during the first six months of the year was 16·002*d.*, but the average rate up to February 28 was 16·069*d.* The expectation is that this year will exemplify the oscillation of the rate in future; that is to say, that in the slack season it will be lower and may approximate to 1*s.* $3\frac{7}{8}d.$, and in the busy season it will be steady at 1*s.* $4\frac{1}{8}d.$ We expect, when this year closes, to have remitted by Council Bills, including those issued against gold received in London, £19,000,000 equal to 2,837 lakhs of rupees.

I need hardly say that for next year we have taken 1*s.* 4*d.* as the rate, and with this remark I may pass to the Budget Estimate.

Budget Estimate.

13. It has already been stated that the Budget Estimate for 1900-1901 gives £70,155,800 as the Revenue, £69,995,500 as the Expenditure, and £160,300 or 24 lakhs of rupees as the Surplus. Following the usual practice I may now run through the various heads, illustrating them by comparison with the same heads in the Revised Estimate of the year which is still with us. The statement below will make the comparison easy :—

Budget Estimates of 1900-1901 compared with the Revised Estimates of 1899-1900.

	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.	Difference, + Better — Worse.
Revenue—			
Principal Heads of Revenue—			
	£	£	£
Land Revenue	17,240,800	18,078,700	+837,900
Opium	4,403,800	4,559,800	+156,000
Salt	5,879,100	5,845,100	—34,000
Stamps	3,231,700	3,267,400	+35,700
Excise	3,860,600	3,819,300	—41,300
Customs	3,153,300	3,134,200	—19,100
Other Heads	5,959,700	6,019,000	+59,300
TOTAL PRINCIPAL HEADS	43,729,000	44,723,500	+994,500

	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.	Difference, + Better — Worse.
	£	£.	£
Interest	604,600	627,300	+22,700
Post Office, Telegraph, and Mint	2,476,300	2,397,500	—78,800
Receipts by Civil Departments	1,175,300	1,177,500	+2,200
Miscellaneous	545,300	544,200	—1,100
Railways	16,464,300	17,131,500	+667,200
Irrigation	2,415,200	2,406,200	—9,000
Buildings and Roads	441,800	443,900	+2,100
Receipts by Military Department	690,600	704,200	+13,600
TOTAL REVENUE	68,532,400	70,155,800	+1,623,400
Expenditure—			
Direct Demands on the Revenues	7,467,500	7,657,100	—189,600
Interest	1,954,500	1,961,800	—7,300
Post Office, Telegraph, and Mint	1,972,100	2,111,100	—139,000
Salaries and Expenses of Civil Departments	10,782,200	11,089,600	—307,400
Miscellaneous Civil Charges	4,051,900	3,934,100	+117,800
Famine Relief and Insurance	2,072,900	3,368,300	—1,295,400
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	2,400	85,200	—82,800
Railway Revenue Account	16,472,700	17,616,900	—1,144,200
Irrigation	2,241,800	2,300,400	—58,600
Buildings and Roads	4,130,800	4,162,800	—32,000
Army Services	15,029,600	16,258,800	—1,229,200
Special Defence Works	200	...	+200
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	66,178,600	70,546,100	—4,367,500
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	247,000	...	+247,000
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances	*446,000*	*550,600*	+104,600
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	65,979,600	69,995,500	—4,015,900
SURPLUS	2,552,800	160,300	—2,392,500

14. Land Revenue, it will be seen, has been taken at £837,900 or one crore and a quarter higher in the Budget than in the Revised Estimate. It is hoped that famine will have disappeared by the end of next September. The increases in the different Provinces are, Bombay 67 lakhs, Madras 31 lakhs, and Punjab 27 lakhs. There is not much that calls for comment under the other Principal Heads. We have taken Opium at £4,559,800 or 684 lakhs. It is very difficult to forecast the course of prices. But the average price this year has been ₹1,221 a chest, and recent prices have been so good as to warrant us taking an average price of ₹1,200 a chest next year. The small decreases under other Principal Heads are due to famine. Passing further down the columns there is a decrease of £68,800 or over 10 lakhs under Post Office, Telegraph, and Mint. It will be remembered that there was an item of 32 lakhs in the Revised Estimates, profits on silver coinage. To what extent we may have to issue fresh silver coinage next year, after the very large additions that have been made to the volume of our rupee currency this year (this subject will be gone into more fully in another place), is uncertain. But meanwhile we are equipping ourselves with a further half million pounds worth of silver. The Secretary of State has bought this amount, which we expect to receive in April. The profit on coining it is taken at 32 lakhs, the same amount as this year. Profits from copper coinage, however, are not likely to be as large as this year, and we take 3 lakhs less under Telegraph revenue. The anticipated receipts from Railways require some explanation,

and it is necessary to cast a glance down to the Railway Revenue Account entry below under Expenditure. A great part of the increase in the receipts is only nominal, because in the last nine months of the year the Great Indian Peninsula will be a State Railway. In the case of a Guaranteed Railway, which the Great Indian Peninsula will continue to be for the first three months, the net receipts only are shown on the Revenue side of the account, and the working expenses are not shown in our expenditure. In the case of a State Railway, gross receipts, of course, are shown on the Revenue side, and working expenses on the Expenditure side. The acquisition of the Great Indian Peninsula, therefore, means a larger addition to either side of the account. Apart from this change in accounting, the Railway Revenue for the year is 53 lakhs less than the Revised Estimates, but we hope that grain traffic will not again be stimulated by Famine.

15. To pass to Expenditure, under Direct Demands on Revenue there is an increase of 28 lakhs, 18 lakhs of which occur under Land Revenue mainly owing to Famine establishments. The increase of £139,000 or 21 lakhs under Post Office, Telegraph, and Mint is attributable to the normal growth of the first two Departments. Any increase under Salaries is usually jealously noticed. The increase of 46 lakhs in respect of Civil Departments is due to a variety of causes. Eight lakhs under Jails are due to Famine, *i.e.*, high prices of food grains; 15 lakhs under Police are largely due to the same cause; Scientific and Minor Departments get 14 lakhs, of which 7 lakhs will go to Census, and the increased expenses of Law Courts will take over 7 lakhs. The striking item in the expenditure columns is, unfortunately, famine relief. I have explained how the total expenditure of £2,162,400 or 324 lakhs in the Revised Estimate is arrived at. The total expenditure for famine purposes of all kinds next year will be £3,505,400 or 526 lakhs, of which all but 5 lakhs will go to direct famine relief in British India, while 20½ lakhs will be provided to make up the loss on the Indian Midland and Bengal-Nagpur Railways. Bombay alone requires over 248 lakhs and Central Provinces 180 lakhs. The Punjab demands 37 lakhs; Ajmer will want 16 lakhs, and other Provinces, chiefly Madras, will want 19½ lakhs. We are meeting the demands of the Provincial Governments in full. We are also assisting the Native States by loans to the amount of nearly 75 lakhs. Grants under the head of Buildings and Roads have been generally reduced in the Provinces owing to famine, but Burma, where the Provincial finances are prosperous, proposes to spend an additional 21½ lakhs out of its wealth on these objects. Military Works expenditure has once more been confined within 115 lakhs. Army Services show an increase of £1,229,200 or 184 lakhs. Of this amount, 37 lakhs must be put down to higher prices of food supplies for men and animals, 22 lakhs are on account of replacement of additional horses sent to South Africa which will be eventually recovered from Her Majesty's Government, and 13 lakhs are on account of the Troopship Service, the cost of which was abnormally low this year owing to the partial suspension of the Home reliefs. Eliminating these items, I may state the increase to Military Estimates at 112 lakhs, of which the re-armament of the Native Army absorbs more than a third. The increase in the Military Estimates is, of course, a payment towards National Insurance. The Military Estimates, and their bearing on our Military policy, are explained by the Honourable Military Member in his Memorandum.

Railway Construction.

16. Under existing arrangements it is the practice of the Government of India to prepare triennial programmes of Railway Construction embracing all Capital expenditure for which Government undertakes any financial responsibility or gives any direct guarantee. The figures for any year included in the triennial programme are also examined in October or November of the preceding year, and the programme of expenditure of the ensuing year is then finally settled in communication with the Secretary of State with reference to immediate requirements for expenditure and to the general Ways and Means of Government.

"17. The last triennial programme of Capital outlay on Railways was prepared in November 1898 and contemplated an expenditure of just over 20 crores in the three years from 1899-1900 to 1901-1902 distributed as follows:—

			₹
1899-1900	£4,515,100	equivalent to	6,77,27,000
1900-1901	£4,485,000	„	„ 6,72,84,000
1901-1902	£4,547,300	„	„ 6,82,10,000
	13,548,000		20,32,21,000

For reasons already explained by Sir J. Westland last year, it was decided in 1899-1900 to add to the amount originally contemplated, a considerable amount which, as he said, might "be regarded as arrears of the old programme handed on to the new one," and the grant announced in the Budget Statement was for ₹8,82,27,000. But this increased grant has been exceeded, and we found ourselves obliged to make additional grants of 46 lakhs during the year to meet expenditure beyond their allotments in which the East Indian and the Assam-Bengal Railways had involved themselves.

18. The expenditure of ₹6,72,84,000 proposed for the year 1900-1901 in the triennial programme adopted in November 1898 included 1½ crores for new projects. But when, in October last, we resurveyed the programme in the light of the situation at that date, it was found impossible to restrict the expenditure on open line Capital, and on projects already begun, to the amounts contemplated in November 1898. It would have been necessary, in order to meet this class of demand, and also to provide for the new projects set down for the year, to increase the total expenditure on Railway Construction to ₹8,22,84,000. The enormous demands for famine, which were looming on the near horizon, prevented any thought of expansion. All new projects had, to our great regret, to be swept aside, and even outlay on works in progress did not escape some reduction. Instead of increasing the figure of ₹6,72,84,000, we reduced it in October to ₹6,54,00,000, but special additional provision has been made for the Assam-Bengal Railway since October, and the final figure for next year will be ₹7,30,84,000 or £4,872,300. The totals, £6,188,500 or ₹9,28,27,000 in the Revised Estimates and £4,872,300 or ₹7,30,84,000 in the Budget, are distributed as follows:—

	Revised, 1899-1900.	Budget, 1900-1901.
	₹	₹
I. State lines managed by the State or Companies .	5,25,29,000	3,80,14,000
II. Lines of Old Guaranteed Companies and extensions	1,00,86,000	49,96,000
III. Lines of other Guaranteed or Assisted Companies .	2,87,32,000	2,96,24,000
IV. Branch lines on firm guarantee	14,80,000	4,50,000
TOTAL .	9,28,27,000	7,30,84,000

Capital Expenditure on Irrigation.

19. For some years it has been the practice to provide a fixed grant of 75 lakhs a year for Capital expenditure on Irrigation Works. In the Budget Estimate of the current year the grant was raised to 85 lakhs. We desired to raise the grant substantially during the year, but our necessities curtailed the proposed increase to some 5 lakhs which, moreover, the Department undertook to spend on works providing labour in famine districts. This year's grant will, therefore, absorb about 90 lakhs. Looking to the very remunerative character of the greater part of our Irrigation outlay, and to the immense value in times of scarcity of the food supplies which can be relied upon with confidence to come from the irrigated areas, the Government of India has resolved to spare no effort to make ample provision for irrigation. In pursuance of this policy it has been decided, in spite of our difficulties, to raise the irrigation grant in the Budget to a full crore.

20. The following are the details of the estimates:—

	Revised, 1899-1900.	Budget, 1900-1901.
	₹	₹
Mandalay Canal	11,00,000	9,00,000
Lower Ganges Canal (including Fatehpur Branch)	9,45,000	4,16,000
Chenab Canal	9,15,000	7,90,000
Jhelum Canal	26,86,000	34,14,000
Jamrao Canal	12,07,000	7,51,000
Other Projects	21,20,000	37,29,000
TOTAL .	89,73,000	1,00,00,000

Remittance and Debt.

21. The following are the usual details of the requirements of the Secretary of State:—

(A)

	Revised, 1899-1900.	Budget, 1900-1901.
Requirements on Government Account—	£	£
Excess of expenditure on Revenue Account . .	16,249,700	17,071,500
Expenditure not charged to Revenue . .	644,000	6,835,900
Net payments on Remittance Account, etc. . .	—419,700	330,000
Total Requirements	16,474,000	24,237,400
Transactions of Railway Companies—		
Net receipts on account of Capital . . .	1,606,300	3,413,500
Payments for Stores, etc.	3,054,400	2,740,600
Net Outgoings .	1,448,100	—672,900
Net Funds required .	17,922,100	23,564,500

The following figures show how the above requirements will be met:—

(B)

	Revised, 1899-1900.	Budget, 1900-1901.
	£	£
By sale of Council Bills	19,000,000	16,440,000
Transfer of gold to or from Currency under Act II of 1898	—1,500,000	500,000
Purchase of silver for coinage	—500,000	...
By addition to Permanent Debt . . .	...	5,922,400
Increase of Temporary Debt	...	500,000
Reduction of Cash Balance	922,100	202,100
	17,922,100	23,564,500

According to the programme announced in the last Financial Statement the Secretary of State intended to renew £4,500,000 Temporary Debt on the security of India Bills, and no addition to the Permanent Debt of Government was intended. This intention has been carried out, but the amount of Temporary Debt created and discharged has been £6,500,000 owing to some of the India Bills having been issued for six months and having consequently to be replaced twice within the year.

22. The heavy trade demands for remittances during the year enabled the Secretary of State to raise his drawings on India from £17,000,000 to £19,000,000, but owing to the Famine expenditure the treasury balances in India were not sufficient to meet the demand in full, and £1,500,000 out of the total drawings were met out of the Currency reserve, the gold being set apart in England under Act II of 1898. The Secretary of State has also employed £500,000 of the proceeds of Council Bills for the purchase of silver for coinage into rupees, the Government of India having decided that a further coinage of rupees, in addition to the coinage of the present year, is desirable. Thus the net addition to the Home Treasury balances by means of Council Bills in the year has been £17,000,000, the same amount as was entered in the Budget Estimate. A sum of £650,000 will be received from Her Majesty's Government in repayment of the disbursements in India in connection with the despatch of Troops to South Africa. With other insignificant differences the total reduction of cash balance during the year is now estimated at £922,100 against £1,487,100 taken in the Budget Estimate.

23. It will be seen from Statement A in paragraph 21 that the gross requirements of the Secretary of State for 1900-1901 amount to £24,237,400. The first item is "Excess of Expenditure on Revenue Account" £17,071,500. The second item, £6,835,900, opposite "Expenditure not charged to Revenue," is exceptional in character. Part of this expenditure is, as usual, for stores, but the far greater part, £5,922,400, is really a book entry connected with the purchase of the Great Indian Peninsula Railway, and will be explained below. The gross requirements are reduced by the surplus of the money raised by Railway Companies over the issues to be made to them (that is, by £672,900). Therefore the net requirements become £23,564,500. Statement B will show how it is proposed to meet this net requirement. The Secretary of State's drawings will be limited to £16,440,000, to which are added £500,000 from an increase in Temporary Debt in the form of India Sterling Bills, while £202,100 will be taken from the Cash Balance in London. In addition, the Secretary of State will receive a further sum of £500,000 from gold forming part of the Currency Reserve, but held in London, on the payment of the equivalent in India into the Currency Reserve here from silver purchased this year for coinage in India. The entry opposite Permanent Debt of £5,922,400 completes the £23,564,500. It represents the Debentures and Debenture Stock of the Great Indian Peninsula Railway Company, which will be purchased on June 30. This is really no increase to the Permanent Debt, and no new liability, for, when the Great Indian Peninsula was a Guaranteed Railway, the Secretary of State was always ultimately liable. It is in fact a book entry: and balances a book entry of a corresponding amount included under the item of £6,835,900 in the statement of the Secretary of State's gross requirements. Owing to the assistance procured in these various ways the Secretary of State avoids raising fresh Permanent Sterling Debt.

We estimate that in India we shall have to borrow for Ways and Means up to three crores of rupees.

24 These announcements, both as regards the amount of Council Bills and as regards loans in England and in India, are made with the usual reservation of entire liberty to the Secretary of State and the Government of India to vary the amounts as may be found convenient.

Financial Changes in 1899-1900.

25. In turning to the financial changes of the year, it must be premised that under the pressure of famine Government can do little more than cope with immediate difficulties, and mark time so far as the fiscal system is concerned. Nevertheless, this year has witnessed the working of new economic legislation destined, perhaps, to be far-reaching in its effects. I refer to the Tariff Amendment Act whereby countervailing duties were imposed on bounty-fed beet sugar. The Act received the assent of the Governor General on March 20, 1899, but, as it did not apply to sugar in transit, its actual operation dates from the current financial year. Responsibility for the actual introduction of a more momentous measure belongs exclusively to the twelvemonth now terminating. India has at length emerged from a period of transition in her currency, has reached the goal to which she has been struggling for years, has established a gold standard and a gold currency, and has attained that practical fixity in exchange which has brought a relief alike to the private individual and to the Government finances. Yet, it is not only as regards currency that India has been called upon to set her house in order. Her equipment as regards banking is admittedly unsatisfactory and retards her development. There is, indeed, unanimous agreement on this point, although, as is natural, in a matter of extreme intricacy and where divergent, or apparently divergent, interests are concerned, there are various opinions as to the really weak places in the equipment, and as to the remedies to be applied. The outgoing year has witnessed no legislation on this important subject, but there have been discussions which, I venture to think, have contributed to clear up some of the issues involved, and the Secretary of State has the views of the Government of India now under consideration. I may perhaps beg the indulgence of Council if I proceed to touch in some detail on these three important events which distinguish the year, countervailing duties, currency legislation, and the examination of our banking position.

Countervailing Duties.

26. The countervailing duties on bounty-fed beet sugar came into force, as I have said, in the current year, practically not until May. We have, therefore, the experience

of less than a year to guide us, and indeed the figures from May 1899 to January 1900 are all that are now available. It is most unfortunate that trade was conducted under abnormal conditions of plague, or of plague and famine, during this period, and we cannot, in consequence, even look to these months as throwing light on the effect of the measure under normal conditions. Nevertheless, the figures will have considerable interest for Council, though I should myself like further experience, under more normal conditions, before drawing any final conclusion. Austria is our great purveyor of beet sugar. The total exports of beet sugar from Austria-Hungary to all the world are worth about £5,500,000, and constitute one-twelfth part of that Empire's entire exportations; Austria-Hungary is therefore likely to fight hard for this trade. The total amount, 498,484 cwt., received by India from Austria during the nine months I have taken was 26 per cent less than the amount in the corresponding period of 1898-99 and 25 per cent less than that of 1897-98. German beet sugar, which had been largely displaced by its Austrian rival before our legislation was undertaken, dwindled from 300,604 cwt. in the nine months of 1898-99 to 31,138 cwt. in the nine months ending last January. The total imports of beet sugar, 530,705 cwt., the additional duties on which are expected to yield in the whole year some 7 lakhs, were accordingly 44·6 per cent *less* than in the corresponding months of 1898-99 and 63·5 per cent. *less* than in the corresponding months of 1897-98, but they were 63·3 per cent *more* than the average in the same months of the five preceding years. The fluctuating character of the importation is very noticeable. Nevertheless, the diminution in the imports this year compared with the last two years is striking, and taken by itself the decline might be held to indicate that the import of beet sugar had been arrested; but, at the same time, it must be remembered that there was a quite sudden and abnormal expansion of imports in 1897-98, that stocks were unusually large in Bombay in 1898, and that the entire decline in the imports of beet sugar has occurred in Bombay and Karachi, indicating also, I am afraid, that the purchasing power of the people on our Western sea-board has been sadly reduced by their accumulated disasters. The total import of sugar into India during the nine months was beet sugar and cane sugar together, an aggregate of 2,308,432 cwt. or 11·7 per cent less than in the previous corresponding nine months, 22 per cent less than in the same months of 1897-98. The value in sterling was £1,681,138. The decline in beet has been in part made up for by larger imports of cane sugar. As regards these, I find that the imports from Mauritius are smaller than last year, but larger than the year before; those from Java and China rose considerably. Passing to the influence of the Act upon prices, it is notable that prices rose immediately after the Act, though they are now tending to decline, and the rise in prices may, I think, be assigned principally to the measure. Producers of cane sugar in China and Java have profited by the rise in price. How far it has benefited Indian producers it is impossible as yet to say. We are awaiting replies from the Local Governments on this point, and are not yet able to say whether native refining industries have received any stimulus.

Trade and the 1*s.* 4*d.* Rate.

27. Before proceeding to the second event, which distinguishes the financial year, the introduction of the gold standard and gold currency, I would, as a preliminary, invite attention to the volume of trade in the past ten months. Special reason exists for looking closely into these figures both with regard to the trade balance on which India depends to meet her foreign obligations, and with regard to the sterling rate fixed for the rupee. Strong objections were taken to stereotyping the rupee at 1*s.* 4*d.* on the ground that the trade of 1898-99 was altogether unprecedented and abnormal, that such a volume of trade was unlikely to recur, and that the normal volume of trade required a rupee at a lower sterling ratio. It was further urged that a rupee appreciated to 1*s.* 4*d.* would check exports, and would, in particular, exercise an evil influence on our opium revenue and trade with China. How far have these objections been supported by facts, how far do the figures of the year indicate what is the normal volume of Indian trade? The answer to these questions will, I think, dispel any apprehensions that may still linger as a consequence of the objections mentioned. It might, indeed, have been expected that our trade would not have kept at the level of 1898-99. It has been carried out under conditions which have certainly checked anything like a normal rate of growth. Plague has been with us the whole time, the failure of the rains and famine came early, and the cotton-spinning and weaving industry has been more or less in a

critical condition owing, I think, to over-production in relation to the Chinese market. In spite of these adverse conditions the total volume of our trade, excluding Government transactions, measured in sterling compares as follows with the trade of the corresponding ten months of preceding years :—

First Ten Months.	Imports.	Exports.	Total Trade.
	£	£	£
1897-98 . . .	48,932,487	55,976,774	104,909,261
1898-99 . . .	44,252,991	65,045,099	109,298,090
1899-1900 . . .	50,367,975	64,993,058	115,361,033

The import trade completely recovered from its depression, at any rate as far as the earlier months of the year were concerned. Some part in this increase is due to fresh capital coming out to India, and the imports of gold, in sovereigns from Australia and in gold yen from Japan, play a large part. But it was the effect of the 1*s.* 4*d.* rupee on the export trade that was chiefly dreaded, and it was in respect of exports that 1898-99 was declared to be an unprecedented year. The figures do not bear this out, although there has been a serious decline in the export of wheat and in the export of rice, owing, as regards the latter, to the rice, which would otherwise have been exported to foreign countries, being diverted to the famine districts in India. Nevertheless, in spite of this, the decline in the whole value of the exports is a very small fraction. Whether February and March, with the continued diversion of rice to India, and the failure of cotton and oil-seeds in Western India owing to the drought, will yield results on the same scale as the months under review, is doubtful. But I think it is clear that our exports, even under the depressing circumstances of this year, show that 1898-99 was in no sense an exceptional year, and that their expansion in happier times may confidently be counted upon. I have alluded to the diversion of Burma rice to India. The extent to which Burma is becoming the food reservoir of India is remarkable, as the following figures will show :—

First Ten Months.	Total quantity of Burma rice produced.	Quantity of rice sent to India.	Value of Burma rice crop [based on Rangoon prices in the rice season].
	Tons.	Tons.	£
1896-97	2,384,000	168,500	12,800,000
1897-98	2,611,000	500,300	12,400,000
1898-99	2,243,000	259,000	10,650,000
1899-1900	2,790,000	427,700	14,100,000

Rice indeed is our premier export crop. The hopes that were once founded upon wheat have been disappointed. In the last six years the average annual value of the wheat trade has been about £2,700,000, that of the rice trade over £8,500,000. Wheat in India is a very uncertain crop, and the demand for it hardly exists except when crops are short elsewhere. But Lower Burma has never known a failure of the rice-crop ; the demand for Burma rice is constant, and the Burma crop is a dominating factor in the markets of Europe, Asia and South America. Looking further into the figures of our exports it is notable that the export of food grains is about £5,050,000 less than last year, but other articles have come to the rescue, including, amongst many others, tea, raw sugar, wool, jute and its manufactures, coffee, hides, opium. The increase in the last item but one, hides, is not, however, a matter for congratulation, as it is largely due to the mortality among cattle in consequence of drought. But the statistics for opium do not support the allegation that the enhancement of the rupee, and the fall in the China exchange on India, would check the opium revenue. The demand in China has been brisker, and the average price R1,221 realized per chest is higher than the average prices R1,023 and R1,055 in 1897-98 and in 1898-99. I trust that this examination of our trade will be considered sufficient to allow me now to pass to the gold standard without further discussion of the sterling rate adopted for the rupee.

Gold Legal Tender.

28. The measure passed on the 15th September to make gold legal tender in India was the outcome of the Indian Currency Committee's Report. Clear and convincing as the Report was, and desirable as it seemed to give immediate effect to its recommendations, the Government was subjected to considerable pressure to defer action when the Report appeared. We received urgent representations from several important quarters to hold our hands. It was contended that in making the sovereign legal tender Government abandoned the advantages which the monopoly position of the rupee gave for

attracting gold; that the moment the sovereign was legal tender, it would cease to reach Government, it would be absorbed, would disappear like rain into the sea, etc., so that the gradual accumulation of gold would be arrested, and that Government would be driven into borrowing for its stock of gold. We considered these objections carefully, but decided that the case for postponing action was not made out, and believed that exchange would tend to settle, at any rate in the busy season, at the maximum level possible under our policy, and that gold would not be deflected but would still reach us. The result is well known. The alarmist predictions of our friends have not been verified. Instead of gold ceasing to reach us we have almost been swamped with gold. Difficulties, of a temporary character, it is true, have arisen from its plethora, not from its scarcity, so true is it that the unexpected always happens.

29. I do not venture to claim for one moment that Government foresaw the enormous inrush of gold which has been brought about by the withdrawals of silver up-country on account of famine relief by unusual movements of grain, and by the requirements of an exceptionally large rice crop in Burma and also by capital coming out to India. But it is not unfair to claim that the reasons which decided Government to take instant action have proved sound, and that, independently of the abnormal causes to which I have alluded, the operation of other causes on which Government relied has not disappointed us. As I have said, we have been nearly swamped (temporarily) by gold. The amount in our currency reserve on April 1, 1899, was £2,030,000. It stood on March 7, 1900, at £7,069,800; the amount accumulated in London under Act II of 1898 stood at £1,500,000 making the aggregate £8,569,800. The difficulty has been that of meeting the demand for rupees in exchange for notes or gold tendered to us. To meet this demand we could rely in the first place upon the silver liberated from the currency reserve by the gold taking its place. But it is obvious that a certain number of rupees must be kept to meet the needs of the public, and that the stock of rupees must not, therefore, be unduly reduced, while the amount of gold that can conveniently be kept in the actual currency reserve in India must depend partly on the extent to which gold will pass into circulation. It has been decided as a tentative measure to hold £5,000,000 in our reserve in times of low balances, though this normal amount may be increased in the time of high balances, and to pay out any gold in excess of the £5,000,000 minimum reserve. Now, if we had only paid out silver up to the extent of five millions of gold, we should of course have released 7½ crores of rupees. But the gold which has been passed into us for silver in India amounted up to the 10th of March to £7,208,000 and has drawn out from us 10 crores and 81 lakhs of rupees. In addition there was the amount paid out on account of gold received in London, so that our balance of coin in silver rupees began to run low. We decided, therefore, to re-coin some uncurrent silver we had by us and also to buy new silver for coinage. Our new rupee coinage will amount to about 2½ crores. We neither propose to add more rupees than are necessary of new coinage to the circulation, nor to hamper trade by refusing rupees for gold or notes presented.

To sum up, before the beginning of the present year we had added 305 lakhs from our reserve to the volume of silver circulation in exchange for gold presented to us. In this year we have added 776 lakhs in exchange for gold presented in India, and 225 lakhs in exchange for gold paid in at home, a total for the year of 10 crores 1 lakh. To enable us to make these additions we have had to coin new rupees, amounting to about 1½ crores, and to ensure our meeting further demands we have decided upon supplementary coinage to the extent of 1 crore, a total, as stated above, of 2½ crores.

The Rupee Currency.

30. This brings us to the important question of the relation of the silver currency of India to the functions which it has to perform. Perhaps it is not rash to assume that in 1893 the silver currency was redundant. It is impossible to arrive at mathematical accuracy on this subject; but its importance is extreme, and although I am aware that I shall be treading on controversial ground, it is not right to pass by on one side. There are such enormous deductions to be made from the quantitative theory in western countries amply equipped with credit money, with progressive transport, and with constant reductions in the number of hands employed in given industries, that the theory virtually disappears from sight, and that the quantity of standard coin offering in the market probably operates only in so far as Bank

reserves may be concerned. But in India where these deductions cannot be largely made, and where other conditions do not change rapidly, the quantity of currency being supplied and offering in the market must have a very material effect in regulating its value in exchange with other commodities. Therefore the relation between the volume of the currency, and the duty that is thrown upon it, is very important in India, not only as regards rupee prices in the country, but as regards exchange through the influence of rupee prices on exchange. I am not of course denying that exchange also depends upon the relation between our exports and imports, but it must not be forgotten that the volume of currency as influencing rupee prices is another material factor. To put it in an extreme form, could it be denied that if the quantity of currency offering in the country was suddenly doubled, other things being equal, that is to say, other conditions remaining unchanged, prices would not also tend to double, and exchange to fall in a corresponding ratio? Therefore our currency policy, as a whole, must be affected by the relation between the volume of currency and the number of transactions, and it is essential that the currency should adapt itself automatically to the requirements of trade. Looking to the events of this passing year my own impression is that the redundancy or superfluity of the silver currency that formerly existed has been absorbed. At the same time the normal march of affairs has been complicated by unusual factors, such as the famine and drain of silver to relief works, and there is need for caution. We shall be in a much better position to form a sound opinion as to the sufficiency or otherwise of our silver currency when silver coin flows back to trade centres from famine districts, and when we have had the experience of contracted trade in the summer months. The influence of the return of this silver and of the after-effects of famine must be awaited with some anxiety on the part of Government—an anxiety which, however, will be mitigated by the fact that the accumulation of gold, available for foreign remittance, has been much larger than we could have reasonably expected. I say the after-effects of famine because I believe, though it may seem paradoxical, that famine stimulates exchange. Or, rather, that this is the immediate effect of famine owing to the withdrawal of rupees from trade centres and the consequent greater demand for the rupees left in those centres, while the curtailment in exports resulting from shorter crops does not influence exchange until some months after famine has made its appearance and after the expenditure on famine relief has begun. However, under our present system the volume of the silver currency may be fairly regarded—under normal circumstances, for I must except famine demands—as adjusting itself automatically to the duty thrown upon it; in other words, to the demands for it. I should indeed shudder if it were left to the Government to determine, with nothing to guide it, whether the currency was or was not redundant, and to take action accordingly. It would be more than difficult to steer a middle course between the Scylla of stringency with lowering of prices and the Charybdis of dilution of the currency with depression of exchange. But henceforward the Government will be guided by the trade demand for our silver-circulating medium, for our notes printed on silver as we may really regard our rupees as being, the trade demand expressing itself in the presentation of gold. As long as Government refrains from coining rupees, except upon the demand of trade, there can be no dilution of the currency. There can be no contraction, as long as trade, if it needs rupees, has only to tender a sovereign to obtain silver coin in exchange, coin already in our balances or new silver coin if the balances will not suffice. The only difficulty will consist in closely watching the times and seasons so that the supply may be there to meet the demand and not be forestalled, as rupees take time to coin. But experience will soon supply indications for the future. It has already been stated that we are in process of equipping ourselves with additional silver to the value of one million sterling. The only other intervention of Government that I can foresee will possibly be recourse to shipping surplus gold to Europe as a temporary corrective in abnormal times, such as upon the return from up-country of silver coins after a famine. It might, under such circumstances, be desirable to restrict Council Bills temporarily. But the inflow and outflow of gold through private agency, according as the demand varies in either direction, is expected to become a regular factor in Indian business.

Gold in Circulation.

31. Having thus dealt with the general question of our currency, I may now turn to an interesting point: how far gold coins are passing and are likely to pass into general circulation? It has been said that we resolved when our gold reserve exceeded

the fixed minimum of £5,000,000 to pay out gold. We began to give out gold on January 15. I may perhaps explain that Government has no intention of forcing gold upon a reluctant public, although, now that the public has spontaneously taken a certain number of sovereigns, we thought it was not unjustifiable to familiarize people more widely with gold by cashing Postal Orders in Presidency-towns of the value of R15 or £1 in gold coins, and we also propose to pay certain salaries in gold in the Presidency towns. Recipients of these gold coins can, of course, always get silver for them, if they really desire silver, by tendering them at the Currency Offices. The amount of gold taken out from the Currency Offices voluntarily by presenters of notes from January 15 to March 10 has been £130,700. Calcutta easily ranks first on the list of towns that are taking to the use of gold. Calcutta has absorbed £84,309. I believe that the rate at which gold is taken is likely to increase slowly, and that gold will pass gradually into general circulation in our sea-ports and large towns. No expectation was ever formed, nor is there any reason to desire, that gold would penetrate into the interior, or that the large mass of transactions in the country would ever be conducted except through the medium of silver and copper. Gold is behaving very much as we anticipated. We have been frequently told, and with perfect justice, that we could never claim to have a true gold standard in India until we were prepared to exchange gold for rupees as well as rupees for gold. By being prepared to exchange I do not mean that we should accept a legal liability to give gold for rupees, but that in practice, as for example in France, anybody who wanted gold for internal purposes should be able to obtain gold freely, without let or hindrance. Theorists, indeed, argue that neither France nor the United States possess a gold standard in the full and complete sense of the words. But I think no one will dispute that if we can advance to the same position as France we shall have attained a gold standard for all practical purposes. A year ago it seemed that we should probably have to sit for a long while under the reproach of our critics, and put up with what has been termed an "exchange standard." It then appeared impossible that in twelve months we should be paying out gold to anybody who asked for it. We are doing so now. Whether we shall be able to continue to do so without check or interruption, whether now we have once started giving gold for rupees we may not have to suspend temporarily, is not a matter about which confident prediction can be made. But it would be reasonable to say that the auguries are not unfavourable for our being able to pursue the path on which we have entered. Our position in respect of gold is strong. In India and in London we have accumulated nearly £8,600,000. We have, as I have explained, set aside £5,000,000 for the present as our minimum reserve against eventualities, against the contingency of the Secretary of State's being obliged to restrict or curtail his drawings and to ask us to ship home gold to enable him to meet his obligations. Any gold received in excess of this minimum, or of such minimum gold reserve as may, with further experience, be established, we shall be ready to pay out as we are paying it out. But the probability is that the gold reserve, ultimately available for foreign remittance, will continue to exceed the minimum experimental reserve. Gold is still coming in, though the inflow is expected to slacken, and may, with confidence, be expected to reach us at least in every busy season. And in addition to the gold received from abroad, we may reckon upon the gold mined in India. It has been decided to constitute a branch of the Royal Mint at the Bombay Mint for the coinage of gold. The terms of the proclamation to be issued under the Imperial Coinage Act have been settled, and we are merely awaiting now until the Royal Mint has satisfied itself as regards the Mint premises and appliances at Bombay. A representative of the Royal Mint is starting this week for Bombay to report. The gold from the Mysore mines is, indeed, already reaching us in anticipation of coinage, and we count upon receiving an annual increment to our stock of gold of from one-and-a-half to two millions from this source. And may I perhaps express satisfaction in passing that we have been able to assist the Indian gold mining industry by saving it the freight and charges incidental to the transmission of its gold to London?

Exchange and Telegraphic Transfers.

32. It is but a few years ago, since a Finance Member exclaimed at this season "Exchange is still the only burden of my song," and on looking back through the Financial Statements and discussions of the last twenty years exchange is writ large, very large, on every page. There is little to be said about exchange this year. The object of the Government, a stable exchange between the gold points, *i.e.*, an exchange

varying between 1*s.* $3\frac{7}{8}$*d.* and 1*s.* $4\frac{1}{8}$*d.* or, in the case of telegraphic transfers, 1*s.* $4\frac{5}{32}$nds., has been maintained. Indeed there would be nothing to be said about exchange, were it not for the fact that for a brief period, and for exceptional reasons, exchange advanced above 1*s.* $4\frac{5}{32}$nds. I refer to the action of the Secretary of State in deciding in January to limit telegraphic transfers under Act II of 1898, whereby silver can be obtained from the currency reserve against the deposit of gold in London: to limit them, I should explain, by progressively enhancing the price for such accommodation. The situation that dictated such action was to some extent caused by the Exchange Banks, who, as profitable employment for money existed in London, had not brought out money to India at the beginning of the season. Indeed the Exchange Banks in December urged that any loans which Government might be able to make to the public should be made to them as well as to the Presidency Banks, or failing this, if the loans were made through the Presidency Banks, they demanded to have a first refusal of this money to the exclusion of merchants, European and Native. The request was refused.

33. The season opened, therefore, without the assistance of the money that is usually brought out before Christmas by the Exchange Banks. But after Christmas, when rates grew easier in England, there was a sudden demand for transfers to obtain money here, while at the same time there were unprecedented demands for coin to move a record rice crop in Burma, together with an increasing drain of silver to the famine districts, and an inflow of gold exceeding expectations. The silver coin reserve of Government in consequence rapidly neared a point at which it was impossible to continue to meet unlimited transfers. Therefore the Secretary of State decided to limit the demands by gradually raising the rate, thus meeting the most urgent demands, and weeding out the less urgent, while warning those whose demands were not so urgent to ship gold to India. No other course was practical. The liability of the Secretary of State to keep the tap turned on indefinitely at 1*s.* $4\frac{5}{32}$nds. has been asserted. But I cannot see that any positive liability exists, and I wonder if those who assert its existence would have preferred that the stability of our currency (whose situation they were well able to appreciate and follow) should have been affected by the reserve of rupees being dangerously reduced? There is another observation to be made, though I am afraid it may be resented in certain quarters because it is inconveniently true. The incident exemplifies the difficulties which Indian trade is likely to run into, if the Banks and merchants trust to Government always meeting their demands from its resources instead of supplying themselves with funds.

Banking Discussion.

34. I have already stated that the current year has been marked by much discussion on the banking situation in India. It was inevitable that this discussion should arise. Recent years in India have abounded in periods of stringency, and more than one exceptional measure, such as the reduction of the silver in the currency reserve, has been taken to deal with an imminent crisis. It has long been clear that something is amiss, if not actually rotten, in the State of Denmark. Writing in December last the Bengal Chamber recorded a deliberate opinion that its members "are convinced that in the busy season the banking facilities of India are not sufficient for the trade and satisfactory development of the country, and at times of pressure the existing arrangements for giving relief seem to them to be quite inadequate." These are grave words. That discussion indeed has not supervened earlier may be attributed to the existence of general hesitation while India was passing through the transitional stage immediately following the closure of the Mints. But the moment India emerged from that stage the subject pressed for consideration, and this is an answer to the somewhat wild statement that Government has forced on this question, because the establishment of a gold standard was not proceeding fast enough in its judgment, in order to hasten this desired consummation. In so far as the establishment of a gold standard (which has perhaps proceeded even faster than our desires) has had any influence on the matter it is this. We have been told to expect with a stable exchange that British capital will more readily seek investment in India, and indeed there are more than indications that reasonable expectations will not be disappointed, for a not inconsiderable amount of capital has come out. The tide has turned. But if capital seeks India more readily, investments will no doubt be made in mines, railways and industrial enterprize generally, and there will arise a demand for banking facilities in connection with these investments.

The revision of our banking situation was, therefore, in nowise part of a design to hurry on the gold standard, but followed upon the initiation of that standard. The matter was brought to a head by a request, and a very natural request from the Presidency Banks, for the extension of their statutory powers. We thoroughly sympathized with that request; not so much in the interests of the Banks, as in the interests of the development of India. But a doubt existed, and had previously found expression, how far, in view of their capital and resources, it was prudent to extend the operations of Banks which are the custodians of the public balances, and in whose cash balances the Government account bulks so largely. The Bank of Bengal stated in a letter of the 2nd of December last that the Directors were of opinion that the restrictions imposed on their operations might be "withdrawn with safety and advantage without *in ordinary times* overtaxing the resources of the Banks," and added that they "would not be disposed to countenance any great extension of the Bank's investments in securities which might not be easily realizable." But we have to legislate for extraordinary as well as for ordinary times, and the securities of Assisted Railways and District Boards will probably not be easily realizable for some time to come. The discussion of the banking situation to my mind has been of great utility, and I cannot believe that the discussion, to which valuable suggestions have been contributed from many quarters, and in which the public has taken so much interest, will not, sooner or later, result in some important improvement. The Government of India for its part carefully considered the various representations and arguments that have been made, and has submitted comprehensive recommendations to the Secretary of State. No answer has yet been received, nor, considering the importance of the subject and the shortness of the time, could an answer have been received. As anything which can elucidate the subject is not amiss, I may perhaps before leaving the question offer one explanation. Considerable criticism has been directed against the proposed project of a 'State Bank.' It was not unnatural perhaps that some misconceptions should arise until the exact recommendations of the Government are made public. But, on the other hand, nothing has been stated by the Government, nothing was said by myself, when I had the honour to explain in Council, in answer to the Honourable Mr. Arthur, the suggestions I should make to Government, on which an allegation could be founded that the creation of a State Bank was contemplated. It is right to say this to remove the apprehensions that have been expressed in certain quarters of State intervention, State competition and other unspeakable horrors. What I then said I would suggest to Government for consideration was that a Central Bank of India, with branches possessing large local autonomy, might be formed by the amalgamation of the three Presidency Banks; that this Bank might, under certain conditions and restrictions, have access to London; and that to this Bank, as to an Agent, might (though this is not an essential condition) be entrusted the management of the Paper Currency. The arrangement as regards the note issue would be analogous to that which obtains in England. As regards its banking side, the Bank would have, as the Presidency Banks have now and as the Bank of England has now, the custody, at any rate to a large extent, of the public balances; and as in the case of the Bank of England, the profit derivable from the Government balances would be considered in fixing the remuneration of the Bank for doing the public business. If anybody cares to call a Bank framed on these lines, a Bank in which the Government holds no shares, on whose Board it has no Director, in whose banking profits it has no interest—if there is anybody who desires to term such an institution a State Bank, and to detect behind it the gruesome spectre of State competition, of course he is at liberty to do so. But he must then be equally prepared to call the Bank of England a State Bank, which it notoriously is not in the accepted meaning of language.

Government Balances.

35. There is yet another question at which I beg leave to glance in connection with the history of the year. I mean the utilisation of the Government balances in the busy season. It may be as well, perhaps, though the matter has been frequently discussed and explained of late, to go over the ground once more. Government keeps its working balance in the Government Treasuries, the Reserve Treasuries and the Presidency Banks. Government Treasuries are maintained where there are no Presidency Banks or their branches. The Reserve Treasuries were instituted by Lord Northbrook to give Government control over a certain sum of money for emergencies, Government having

been resisted and hampered on two occasions when it required to withdraw its own funds from the Banks for pressing needs. As regards the Presidency Banks, Government, keeps a balance at their Head Offices maintained at a fairly constant figure, and this balance may, in fact, in so far as it exceeds what is really required for treasury purposes, be considered as additional to the real working balance of Government. But there are seasons when the Government receipts exceed the amount required for its working balances and for the constant balance at the Banks. It might be supposed that this excess should naturally go into the balances at the Presidency Banks, and that the Government balance should shrink or expand according to the receipts or outgoings of Government. It has, however, been the arrangement, and a deputation from the Bengal Chamber of Commerce in 1898 recognised that it was advantageous, to have a fairly constant balance with the Presidency Banks, while the excess. receipts of which I have been speaking flow into the Reserve Treasuries which, rather than the Banks, are thereby primarily exposed to the sudden and fluctuating demands which war and famine and all the exigencies of a great Government may entail. So far, therefore, as the Government balances in the Presidency Banks do not, as might be expected, mount up in the busy season, which is also the season of revenue collections, the Government is not open to the reproach of locking up its balances. I do not see that the arrangement could be changed under present circumstances, and Government could hardly move in the matter except at the request of the business community who were a party to it. Whether it would be not more natural to pass in all the Government receipts if the Banks had a larger capital and larger resources, and the Government could always count on getting its own money without serious disturbance, and whether the Reserve Treasuries are not an anomaly, but a disagreeable necessity, due to existing circumstances, are other and larger questions. If the Reserve Treasuries did not exist, if there was a Bank powerful enough to ensure Government obtaining any money it called for, a larger part of the money collected by Government would be returned into ordinary channels and be available for trade. The real gist, however, of the accusation that Government locks up its balances is concerned with the granting or refusal of temporary loans in the busy season from those funds which I have described above as the receipts in excess of our working balance. That was a subject which was gone into last year, and the Secretary of State has laid down and made public the conditions under which such loans may be granted. There is no unreadiness to make loans under those conditions ; but the history of this year enforces the danger of relying on such loans. We had one application this year for a loan for 30 lakhs to Bombay to avert, so we were assured, a most imminent crisis. We were not in a position to make the loan ; and moreover those who principally urged us to make the loan, who were representatives of the Exchange Banks, could always have procured funds for their customers through the Secretary of State's telegraphic transfers. Indeed this was admitted: but it was urged that transfers at the rate at which the Secretary of State was then selling were to be boycotted. The crisis was conjured without our assistance: but I refer to it as showing the danger of relying upon Government assistance and indicating doubts as to the sufficiency of banking strength in Bombay. To have a crisis threatened in an Imperial City of the importance of Bombay for want of ₹30 lakhs points to a very narrow margin.

Conclusion.

36. Famine has left a deep impress upon the financial history of this year, and will make an even deeper impress upon the year we are shortly entering. But looking back on the past twelvemonth we may congratulate ourselves, at least, on having passed to a gold standard through the continued closure of the Mints and the ordinary operations of trade without having added to the indebtedness of India. The uncertainties in both public and private finance owing to a fluctuating and falling exchange have, it may be hoped, become a thing of the past. In the year now passing away India has been able not only to relieve the suffering population in her midst, but to invest revenue in productive public works. She will not be able to escape borrowing in the coming year. But the difficulties will be chiefly those of Ways and Means. Nevertheless, after providing for famine and after making a substantial addition to the payment for national insurance, the Indian Government can count upon a surplus with reasonable confidence.

March 21, 1900. C. E. DAWKINS.

PART II.

BEING A MEMORANDUM BY THE FINANCIAL SECRETARY EXAMINING THE DETAILS OF THE ACCOUNTS AND ESTIMATES.

Section I.—The Accounts of 1898-99.

1898-99. General Result.

37. The surplus of the year in the Accounts was less by ₹9,80,900, than that anticipated when the Revised Estimate was framed in March last.

The variations between the figures finally entering into the Accounts and those taken in the Budget and Revised Estimates of the year are fully explained in the Appropriation Report published in the *Gazette of India* of the 11th instant.

Tables giving a general comparison of the Revised Estimates with the Accounts have been given above in Part I, paragraph 3 in the old form and paragraph 6 in the new form.

1898-99. Revenue in India.

38. The Revenue in India was less than taken in the Revised Estimate by ₹15,50,390. The falling-off is accounted for by a decline in Land Revenue of ₹22,00,870: the collections were considerably lower than the Estimate in Bombay and Madras, while there were smaller improvements in Burma and the North-Western Provinces and Oudh. There was also a decline in the Customs Revenue of ₹9,62,380 under the heads of silver, oils, and cotton goods. The payment of interest due on April 1, 1899, on the preceding day by the Bombay Port Trust increased the Interest receipts by ₹8,65,260. Smaller variations under other heads resulted in a net improvement of ₹7,47,600.

1898-99. Expenditure in India.

39. The Expenditure in India was less than the Revised Estimate by ₹9,30,330 the result of a number of small differences, the largest of which are, on the side of excess, ₹10,86,910 in the Working Expenses of State Railways, and, on the side of reduction, ₹7,60,670 under Army.

40. The net deterioration in India of ₹6,20,060 was distributed thus between the Imperial Section and the Provincial and Local Section: an Imperial deterioration of ₹11,14,570 and a Provincial and Local improvement of ₹4,94,510.

1898-99. Revenue and Expenditure in England.

41. The Sterling Revenue in England was higher by £10,061 and the Sterling Expenditure was less by £20,503.

1898-99. Exchange.

42. The fractional difference between the average rate of exchange and the rate of 16*d.* the rupee of the Revised Estimate caused an increase of expenditure of ₹1,71,970.

Section II.—Revised Estimate of 1899-1900.

1899-1900. Statement of the gross figures.

43. The following is a general comparison of the Budget Estimates with the Revised Estimates of 1899-1900:—

	Budget.	Revised.	Revised, better.	Revised, worse.
	£	£	£	£
REVENUE.				
India	67,717,900	68,284,700	566,800	
England	207,100	247,700	40,600	
TOTAL	67,925,000	68,532,400	607,400	
EXPENDITURE.				
India—				
Imperial, Provincial, and Local	49,388,100	49,681,200		293,100
Adjustment of Provincial and Local Surplus or Deficit	—616,500	—199,000		417,500
NET	48,771,600	49,482,200		710,600
England	16,531,600	16,497,400	34,200	
TOTAL	65,303,200	65,979,600		676,400
SURPLUS	2,621,800	2,552,800		69,000

1899-1900. General features.

44. The striking feature of the year is the recurrence of famine, involving an expenditure on direct relief of £2,054,800, over three crores of rupees, in addition to indirect expenditure and to loss of revenue—the reduction below the Budget Estimate under the one head of Land Revenue is £1,187,100, over a crore-and-three-quarters of rupees. To help in meeting this unforeseen expenditure, we have had, in addition to the unappropriated portion of the famine grant of over a crore, improvements in net Revenue under Opium, Mint, Railways, and Irrigation amounting to nearly 2 crores, savings in expenditure on the Army and plague preventive measures amounting to nearly a crore-and-a-half and savings of nearly half a crore in consequence of the rate of exchange having been more than a farthing above the extremely cautious rate of $15\frac{3}{4}d.$ the rupee which was adopted in the Budget Estimate. These improvements have diminished the reduction in the estimated surplus of the year, £2,552,800 as compared with £2,621,800, to the insignificant amount of about ten lakhs of rupees. It is very probable that the actual surplus in the Accounts of the year will exceed that of the Budget Estimate.

45. In India there is an increase of Revenue of R85,01,000 or £566,800, and an increase of Expenditure of R43,96,000 or £293,100. These variations are divided between the Imperial and Provincial-Local sections of the accounts thus: a deterioration under Imperial of R21,57,000 or £143,800, and an improvement under Provincial and Local of R62,62,000 or £417,500. In England the Revenue is higher than the Budget Estimate by £40,600 and the Expenditure less by £34,200, giving an improvement of £74,800, which, deducted from the net deterioration on the Imperial section in India of £143,800, results in a reduction of the surplus by £69,000.

1899-1900. Revenue in India.

46. The important increases of Revenue in India are—

	R
Opium	60,70,000
Salt	6,15,000
Customs	8,12,000
Forest	7,49,000
Telegraph	13,50,000
Mint	45,24,000
Railways—	
State, Gross Receipts more R1,45,87,000 / Guaranteed, Net Receipts less R23 75,000	1,22,12,000
Irrigation, Major Works	20,89,000
Army	11,28,000

1899-1900. Opium.

47. The increase in Opium Revenue occurs in Bengal, and is mainly due to the average price realised at the monthly sales having been R1,221 a chest, while the price was taken at R1,100 a chest in the Budget Estimate: on the 40,800 chests taken in the Budget Estimate as to be sold, this rise in price accounts for an improvement of R49,36,800. The sales in the last three months of the year were also increased by 900 chests, the receipts from which at the average rate realised amount to R10,98,900. The receipts from the pass duty on the exports of Malwa Opium from Bombay are expected to be slightly less than in the Budget Estimate, and the receipts on Excise Opium slightly higher.

1899-1900. Salt.

48. The Salt Revenue has improved in Madras by R8,57,000, the fall from the abnormally high receipts of 1898-99 having been less than anticipated, and in Bengal by R6,40,000, low prices and the favourable circumstances of the year in that Province having stimulated imports; while it has decreased by R2,15,000 in Bombay due to the famine, and by R6,17,000 in the Northern India Salt Department in consequence of the drought in Rajputana which has caused a deterioration in the quality of the salt produced at Sambhar Lake and a diminution in the sales at that source.

1899-1900. Customs.

49. The Customs receipts have improved in the three Maritime Provinces unaffected or only slightly affected by famine by a total of R14,24,000, but in Bombay the famine and plague have caused a decrease of R6,05,000.

1899-1900. Forest.

50. The Forest Revenue in Burma has improved by the large sum of R12,33,000 due to the high price of teak inducing large extractions: Bengal shows an increase of R1,55,000; but in Bombay there has been a falling-off of R3,16,000, in Madras of R1,20,000, and in the Central Provinces of R1,38,000 all attributed to famine.

51. The abnormally large increase in Telegraph receipts is caused by the interest in the war news from South Africa and by the great use of telegrams in connection with the movements of grain caused by the famine. *1899-1900. Telegraph.*

52. The increase in the Mint receipts is exceptional. The larger part of it, ₹32,00,000, represents the profit on the coinage of about one crore of rupees from purchased silver bullion, the Government of India having found it necessary to resort to coinage to meet the great demand for rupees which has been so marked a characteristic of this cold weather: that demand is surmised to have been caused by the withdrawal of rupees from the trade centres to meet famine expenditure, and by the exceptionally large rice crop in Burma. *1899-1900. Mint.*

The coinage of dollars has also been much greater than was assumed in the Budget Estimate; and the receipts in Bombay have consequently increased by ₹4,79,000.

The famine has caused a large demand for copper coin, on the coinage of which there is a gain, brought to account when the coins pass into circulation: the increase from this cause amounts to ₹8,50,000.

There is a small set off to these large receipts in the increased charges of the Mints, amounting to ₹2,23,000.

53. The large improvement in Railway earnings is due partly to the ordinary development of traffic and the earnings of new lines and additions to existing lines, and to a brisk coal trade, but mainly to the increase in grain traffic to meet the requirements of the famine-stricken districts, and to the carriage of troops to the seaports for despatch to South Africa. *1899-1900. Railway Receipts.*

The improvement has been fairly generally distributed, the only two lines of which the receipts will fall far short of the Budget Estimate being the Great Indian Peninsula Railway,—the failure of the cotton and grain crops in the districts served by that Railway and the continued prevalence of plague have seriously interfered with its traffic,—and the North-Western Railway,—the traffic on that Railway varies from year to year, up and down, more than on any other Railway, with the greater or smaller movement of troops to or from the North-West frontier: the famine has also diminished the receipts of the line, and the exports of wheat have been much smaller than last year.

54. There has been a large development of Irrigation, the larger portion of the increase occurring in the Punjab: this is partly due to the failure of the rains. *1899-1900. Irrigation Revenue.*

55. The increase in Army Receipts is due chiefly to the recovery of the value of stores, etc., sent with the troops to South Africa. *1899-1900. Army Receipts.*

56. The more important decreases in Revenue are:— *1899-1900. Decreases in Revenue in India.*

	₹
Land Revenue	1,78,07,000
Provincial Rates	17,97,000
Interest	7,57,000

57. The Land Revenue in Bengal and Assam is expected to be slightly higher than the Budget Estimate, but the only Province in which a substantial increase has occurred is the extraordinarily prosperous Province of Burma. There an increase of ₹21,11,000 has been taken. In every other Province there are very serious decreases. In Bombay the falling-off is ₹84,37,000, in the Punjab ₹37,00,000, in the Central Provinces ₹35,43,000, and in the small Provinces administered directly by the Government of India, of which the most important are Ajmer, Baluchistan, and Coorg, ₹2,63,000: all of these are direct consequences of the famine prevailing in those Provinces, which has necessitated heavy suspensions and remissions. In Madras the unfavourable character of the north-east monsoon led the Local Government to anticipate that considerable suspensions would be necessary in February and March, and a decrease of ₹18,89,000 has been taken in that Province. In the North-Western Provinces and Oudh a decrease of ₹23,01,000 is shown: the collections of the arrears remaining over from the last famine are expected to be smaller than assumed in the Budget Estimate. *1899-1900. Land Revenue.*

58. The decline in the Revenue from Provincial Rates follows generally in distribution the decline in Land Revenue and is due to the same causes. *1899-1900. Provincial Rates.*

1899-1900. Interest Receipts.

59. The fall in Interest receipts is not a real reduction in Revenue. The interest on the debt of the Bombay Port Trust falls due for payment on April 1, and the annual payment was included in the Budget Estimate. The payment was, however, made on March 31, 1899, and the receipts on account of that debt in 1898-99 were accordingly doubled while there are none this year.

1899-1900. Increase in Expenditure in India.

60. The important increases in Expenditure in India are:—

	₹
Forest	4,52,000
Political	6,31,000
Famine Relief	3,06,86,000
State Railways, Working Expenses	59,24,000
Irrigation, Working Expenses	5,39,000

1899-1900. Forest Expenditure.

61. The increase in Forest Expenditure occurs in Burma, ₹1,43,000, and Bombay, ₹3,83,000, the expenditure in other Provinces differing but slightly from the Budget Estimate. In Burma the increase was required to earn the increase in Revenue noticed in paragraph 50. In Bombay the increase is caused by the sanction to a scheme for supplying fodder to the cattle in the famine-stricken districts of Bombay. It is expected that more than half of the cost will be recovered from the owners of the cattle, as they will be charged for the fodder supplied to them. Part of the expenditure in that scheme was incurred in the Central Provinces also, but other lapses reduce the total expenditure there almost to the Budget figure.

1899-1900. Political Expenditure.

62. The increase in Political Expenditure is due to the Amir of Afghanistan having drawn more of his subsidy than the amount due for the year: he draws his subsidy somewhat irregularly.

1899-1900. Famine Relief.

63. The very large expenditure on Famine Relief has been fully explained in other parts of this Statement.

1899-1900. Railway and Irrigation Expenditure.

64. The increases in Railway and Irrigation Expenditure were required to earn the increased Revenue discussed in paragraphs 53 and 54, the real gain being only the net amount.

1899-1900. Savings in Expenditure in India.

65. The necessity of meeting the large expenditure connected with the famine has led to the restriction of ordinary expenditure wherever possible; and there are savings under the great majority of heads. The more important decreases are the following:—

	₹
3.—Land Revenue	8,47,000
Opium	6,01,000
13.—Interest	10,27,000
Law and Justice, Jails	6,58,000
Police	5 65,000
Medical	29,05,000
31.—Exchange	21,46,000
Construction of Protective Railways	49,00,000
Reduction or Avoidance of Debt	60,39,000
Military Works	6,70,000
Civil Works	57,67,000
Army	52,05,000

1899-1900. Land Revenue Expenditure.

66. Grain compensation allowances caused by famine prices have prevented any saving in the Land Revenue Expenditure in the Central Provinces and Bombay, in which the charges slightly exceed the Budget Estimate, and have reduced the savings in the Punjab. In Bengal there is an increase of ₹1,46,000, mostly under Survey and Settlement. But there are savings of ₹2,77,000 in Burma—where some schemes of improvement were not brought into operation so soon as anticipated and the charges for the collection of Revenue were overestimated; of ₹3,57,000 in Madras—where one scheme of improvement was partially postponed, and the progress of expenditure under several heads was less than provided for in the Estimates; and of ₹3,06,000 in the North-Western Provinces and Oudh, where it was found that the grants under several heads were not fully required.

67. Though the poppy crop was a better one than we have had for many years, it was not quite up to the standard which we assume as the average, and for which we provide every year in the Budget Estimate. The payments to the cultivators for their opium were therefore smaller than taken in the Estimate, and there will be a saving of about six lakhs of rupees. *1899-1900. Opium.*

68. The Capital Expenditure on the construction of Railways in 1898-99 was higher than anticipated in the Revised Estimate for that year, because of the postponement from last year to this of the issue of Debenture Capital by the East Indian Railway Company : the advances on which interest is charged against Railway Companies were also higher than estimated ; and consequently the transfer from Ordinary to Railway Debt was increased above the Budget Estimate by ₹5,42,000, causing a saving of that amount in ordinary Interest payments. The remainder is due to arrear payments of Interest warrants having proved to be less than provided for in the Estimate of last March. *1899-1900. Interest Payments.*

69. Famine prices have caused small excesses over the Budget Estimates for Expenditure on Jails in Bombay and the Punjab. In all other Provinces there are savings, due partly to the Jail population having been less than anticipated, partly to the opening of new Jails having been postponed, and partly to the specially low price for provisions in the earlier months of the year when stocks were purchased. *1899-1900. Expenditure on Jails.*

70. In Bombay, the Punjab and the Central Provinces the Police Expenditure has exceeded the Budget Estimates in consequence of the famine necessitating large payments of grain compensation allowances. In the other Provinces there are substantial savings, due partly to economies such as the substitution of locally-manufactured for imported cloth for uniforms, partly to the absence of officers on leave, and partly to the slower introduction of some schemes of reform. *1899-1900. Police.*

71. Only a small part of the reserve of ₹20,95,000, provided for new plague preventive expenditure as stated in paragraph 146 of the Budget Statement of last March, was required, and there is a saving of ₹19,42,000 in the India General Revised Estimate of Medical Expenditure. The Madras and Central Provinces Governments have also not found it necessary to spend so much as expected on plague prevention, and there are savings under the head in Madras of ₹10,19,000 and in the Central Provinces of ₹1,58,000. On the other hand, the Bengal Government increased its expenditure on those measures and there is an increase in that Province of ₹3,59,000. *1899-1900. Medical Expenditure.*

72. The changes in the form of Accounts and Estimates described in paragraphs 4 to 6 of Part I of this Statement affect very materially the entries under the two heads XXIV and 31.—Exchange. In the Budget Estimate, as published last March in the old form, the final figure resulting from the calculations was ₹6,90,000 on the receipt side, under XXIV.—Exchange. The calculations under the new form give a figure on the charge side, under 31.—Exchange, of ₹31,96,000 (or £213,000). The explanation of this large difference is that under the new form the whole of the difference between the rate of exchange assumed in the Budget Estimate, $15\frac{3}{4}d.$ the rupee, and the standard rate of $16d.$ the rupee is brought to account through the heads XXIV and 31.—Exchange, whereas under the old form that difference was (like the difference between the 2 shilling rate and the standard rate under both the old and new forms) distributed over the various heads of Revenue and Expenditure under which sterling transactions occur. *1899-1900. 31.—Exchange.*

In the Revised Estimate, in the new form, the entry of ₹31,96,000 (£213,000) on the charge side, 31.—Exchange is reduced to ₹10,50,000 (£70,000). The reason of this difference is that the average rate of exchange of the year will be slightly over $16d.$ the rupee instead of $15\frac{3}{4}d.$ the rupee taken in the Budget Estimate. This in itself would have caused the whole 32 lakhs to disappear; but the remittances of some Railway Companies were made at a lower rate than the average rate of Council Bills, which acted on the figure in the contrary direction.

73. The entries under the two heads named in the margin in the Budget Estimate of this year together made up the amount required to bring the Famine Relief and Insurance Grant up to the sum of a crore and a half of rupees. As the expenditure on Famine Relief in the Revised Estimate far exceeds that sum, *1899-1900. Protective Railways and Reduction or Avoidance of Debt.*

there is no room for the expenditure under the two heads and the entries are omitted.

The amount shown under Reduction or Avoidance of Debt disappears absolutely from the Expenditure of the year. But the expenditure represented by the entry under 34.—Construction of Protective Railways has not been stopped: it has merely been removed to Expenditure not charged to Revenue under head 48.—State Railways—Construction. It may be mentioned here that this transfer would have been made even if the Famine Relief expenditure had not occurred and swallowed up the whole of the Famine Grant. For under the decision described in paragraph 7 of Part I of this Statement, expenditure on Railways of the class for which the entry in the Budget Estimate was made will in future be charged to head 48, and not to head 34.

1899-1900. Military Works Expenditure.

74. The reduction in the Expenditure in India on Military Works represents partly a transfer of Expenditure from India to England, and partly the usual lapses which always occur.

1899-1900. Civil Works Expenditure.

75. Assam is the only Province which shows an increase (₹41,000) in the Expenditure on Civil Works: funds being available from Provincial Revenues the Chief Commissioner pressed on the repair of the damages caused by the great earthquake. The decrease in Burma (₹2,65,000) is an ordinary one, the progress of expenditure not being so rapid as expected when the Budget grant was fixed. The savings in the other Provinces varying from ₹14,57,000 in Bombay to ₹5,62,000 in the Punjab may all be taken as being the result of the efforts of the Local Governments to reduce ordinary expenditure to provide funds for the famine, and to a small extent for other Provincial needs.

1899-1900. Army.

76. The main cause of the saving in Military Expenditure is the despatch, without replacement, of British troops to South Africa, and of two Native Infantry Regiments to Ceylon and Singapore, the charges for all of which are borne by Her Majesty's Government. This saving is estimated at ₹39,09,000.

There have also been savings in the charges for military operations and special services, ₹6,42,000: in Exchange Compensation Allowance ₹3,89,000, the rate of exchange having been over 16*d.* the rupee, whereas the Budget Estimate assumed a rate of $15\frac{3}{4}d.$: in Regimental Pay and Allowances ₹4,00,000: in the pay of officers transferred for plague duty to the Civil Department ₹3,64,000: in the annual relief movements ₹2,20,000: in the purchase of malt liquor ₹2,60,000: from the postponement of the purchase of a reserve of fodder because of the famine prices, ₹3,76,000: the postponement of other mobilization requirements ₹1,84,000: in the purchase of mules and horses in India ₹4,40,000; and under Medical, chiefly Cantonment General Hospitals, ₹4,13,000.

On the other hand, the high prices have caused an extra expenditure of ₹10,00,000—this would have been much greater had it not been that very low prices prevailed in the earlier months of the year: the orders issued this year regarding the messing allowance of British soldiers have entailed an additional expenditure of ₹9,85,000: there have been special grants of ₹1,32,000 for the purchase of land, and of ₹1,22,000 for the purchase of equipment of transport corps and supply trains; and the stoppage of the troopship service, causing a large saving in sterling expenditure as noticed below, has necessitated the chartering of two vessels to convey details to England at a cost of ₹4,10,000.

1899-1900. Revenue in England.

77. The Revenue in England is expected to exceed the Budget Estimate by £40,600, the bulk of which occurs under Interest. The Secretary of State had larger amounts available from his cash balance for temporary investment, and the rate of interest obtained was high during a portion of the year.

1899-1900. Expenditure in England.

78. The Expenditure in England is expected to be less than the Budget Estimate by £34,200. There is an increase of £71,500 in the payments of interest on India Bills partly owing to the rate of interest being higher and partly to some of the Bills being issued for six months and replaced within the year, which involves an interest charge this year for 18 months: £63,100 are to be spent on the purchase of land for the Store Department and for the installation of electric light in the India Office: the payments for the Indian troopship *Hardinge*, now being built, are increased by £110,700: the last quarterly payment in 1898-99 of the subsidy to the Admiralty for the Indian Defence Vessels was withheld pending settlement of a doubtful point, and the

sum of £15,200 has to be added to the payments this year. On the other hand, the payments for the Indian Troopship Service are reduced by £124,800, the South African War having prevented the despatch of the usual reliefs to India: The expenditure on Army Stores has been less than expected by £205,900: and the non-effective Army charges mainly pensions have been less than the Estimate by £73,800.

1899-1900. Exchange.

79. As explained in paragraph 5, exchange no longer appears separately on the Accounts and Estimates. But, of course, any rise or fall in the rate of exchange affects them to the same extent as before the change in form. In the Budget Estimate the rate of exchange for the year was taken at $15\frac{3}{4}d.$ the rupee, and the average rate obtained on the Secretary of State's drawings will be slightly above 16*d.* the rupee: the Revised Estimate places the rate at 16·072*d.* tne rupee. The net sterling expenditure in the Revised Estimate is £16,249,700. The equivalent of that amount is ₹24,76,14,000 at $15\frac{3}{4}d.$ the rupee and ₹24,26,53,000 at 16·072*d.* the rupee. The difference between these two amounts, ₹49,61,000, represents the saving secured by the rise in the rate above that assumed in the Budget Estimate. In addition, the higher level of exchange has caused reductions in the payments of exchange compensation allowance amounting to ₹6,97,000.

Section III.—Budget Estimate of 1900-1901.

1900-1901. Statement of the gross figures.

80. The following is a general comparison of the Budget Estimate of 1900-1901 with that of 1899-1900:—

	1899-1900.	1900-1901.	1900-1901, better.	1900-1901, worse.
REVENUE.				
India	£ 67,717,900	£ 69,978,300	£ 2,260,400	£ ...
England	207,100	177,500	...	29,600
TOTAL	67,925,000	70,155,800	2,230,800	...
EXPENDITURE.				
India—				
Imperial, Provincial and Local	49,388,100	53,297,100	...	3,909,000
Adjustment of Provincial and Local Surplus or Deficit	—616,500	—550,600	...	65,900
NET	48,771,600	52,746,500	...	3,974,900
England	16,531,600	17,249,000	...	717,400
TOTAL	65,303,200	69,995,500	...	4,692,300
SURPLUS	2,621,800	160,300	...	2,461,500

1900-1901. Main features.

81. The famine, involving a direct expenditure of just over five crores of rupees besides loss of Revenue and indirect Expenditure, and the undertaking of new Military expenditure of nearly a crore are the leading characteristics of next year. To meet this outlay the surplus shown in the Budget Estimate of the present year of nearly four crores goes a long, though not the whole, way. But increases in Revenue and strict economies in other Expenditure suffice to enable us to show a small surplus in the coming year.

82. In India an increase of Revenue of ₹3,39,06,000 or £2,260,400 and an increase of Expenditure of ₹5,86,34,000 or £3,909,000 are estimated. This net deterioration of ₹2,47,28,000 or £1,648,600 represents an improvement in the Provincial and Local Section of ₹9,88,000 or £65,900 and a deterioration in the Imperial Section of ₹2,57,16,000 or £1,714,500. The Revenues in England are expected to be less by £29,600 and the expenditure greater by £717,400. The total Imperial falling off, £2,461,500, reduces the surplus to the small sum of £160,300.

1900-1901. Increases of Revenue in India.

83. The heads which mainly contribute to the large increase in Revenue in India above shown are —

		R
Railways, State, Gross Receipts	more R3,63,12,000 .	2,22,61,000
Guaranteed, Net „	less R1,40,51,000 .	
Opium		83,60,000
Customs		5,26,000
Post Office		7,75,000
Telegraph		10,50,000
Mint		34,87,000
Irrigation, Major Works		13,56,000
Army		17,45,000

1900-1901. Railway Receipts.

84. A considerable part of the increase under Railways is nominal only, being caused by the change in the status of the Great Indian Peninsula Railway for nine months of the year from a Guaranteed Railway, of which the receipts are shown net, to a State Railway, of which the gross receipts are shown on the Revenue side, and the working expenses on the Expenditure side. The amount of this nominal addition to the Revenue and Expenditure is R1,53,00,000, and that amount should be deducted from the figure above given to arrive at the real increase in Railway Revenue, which will then be R69,61,000.

The Railway Revenue is estimated at an amount less by R52,51,000 than the Revised Estimate of 1899-1900, because it is not considered prudent to assume that the whole of the increase secured by the very exceptional traffic of the present year will be retained in the coming year.

1900-1901. Opium.

85. Part of the increased Revenue from Opium is obtained by the sale of 3,600 more chests than were taken in the Budget Estimate of the present year: at the price of R1,100 a chest taken in the Budget Estimate of 1899-1900 this accounts for an increase of R39,60,000. The high prices secured at the opium sales this year, particularly in the last half of it, justify us in anticipating a higher average price than R1,100 next year: the average has been taken at R1,200 a chest; and this accounts for an increase of R44,40,000.

1900-1901. Customs Revenue.

86. The Customs Revenue in Bombay is expected to be lower than in the Budget Estimate of this year by R7,66,000 in consequence of famine and plague; but in the other Maritime Provinces increases aggregating R13,05,000 are anticipated. The Estimate is taken at about three lakhs lower than the Revised Estimate of this year: the decrease is distributed over the Rice Export Duty, Articles of Food and Drink, Silver, Cotton Goods, and Manufactured Articles.

1900-1901. Post Office Receipts.

87. The Estimate of Post Office Revenue assumes that the Revenue next year will exceed that of this year by about the same amount as the latter exceeded that of 1898-99, there being nothing abnormal in the receipts this year or last.

1900-1901. Telegraph Receipts.

88. The Telegraph Revenue having increased by an abnormal amount this year owing to special causes, the estimate for next year is placed somewhat lower than the Revised Estimate of 1899-1900.

1900-1901. Mint Receipts.

89. It has been decided to coin in the beginning of next year a further crore of rupees: this will yield a profit of R32,00,000. The gain on copper coinage is also taken higher by R2,00,000 than in the Budget Estimate of this year, and the receipts for Dollar coinage are also placed slightly higher, though much lower than in the Revised Estimate of this year.

1900-1901. Irrigation Revenue.

90. The Irrigation Revenue was especially high this year, and it is improbable (as it is most undesirable) that the seasons next year will be as favourable for irrigation. The estimate has accordingly been taken over seven lakhs lower than the Revised Estimate though thirteen and-a-half lakhs higher than the Budget Estimate of this year.

1900-1901. Army Receipts.

91. The increase in the Army Receipts represents recoveries from Her Majesty's Government of the value of horses, stores, etc., sent to South Africa with the troops.

1900-1901. Decreases in Revenue in India.

92. The important decreases in Revenue in India are: —

	R
Land Revenue	52,39,000
Excise	4,92,000
Provincial Rates	3,19,000

93. The famine will necessitate suspensions and remissions of Land Revenue and Provincial Rates next year as well as in the current year, though not to so great an extent. The decrease under the latter head would have been considerably greater were it not that the Madras Government has decided to increase the rate at which a local cess is levied and there is an increase under the head in that Province of R3,69,000.

1900-1901. Land Revenue and Provincial Rates.

94. In ordinary times the Excise Revenue increases from year to year in all Provinces in which no special measure leading to a check has been adopted for administrative reasons. This normal increase is expected next year in Bengal, the North-Western Provinces, and Burma. In the latter Province, however, one such measure has been adopted leading to a loss of Revenue moderately estimated at R1,50,000 a year: it is the decision to stop the sale by auction of licenses to sell opium in Lower Burma in order to diminish the temptation to the licensees to traffic in illicit opium.

1900-1901. Excise Revenue.

In Bombay and the Central Provinces the famine is expected to cause a serious decline in Excise Revenue, and in the Punjab the same cause has restricted the usual increase.

In Madras a very large decrease of R12,64,000 is anticipated by the Local Government. The Excise Revenue in that Province advanced more rapidly than that of any other Province till two years ago when it began to decline, and the Local Government expects that the decline will continue next year for special reasons some being connected with difficulties—temporary it is hoped—in the administration of the special system in force in that Province, and some with the unfavourable character of the seasons.

95. The important increases in expenditure in India are :—

1900-1901. Increases in Expenditure in India.

		R
3.—Land Revenue		10,18,000
Forest		5,76,000
Post Office		7,35,000
Police		9,33,000
Political		5,85,000
Scientific and Minor Departments		11,63,000
Famine Relief		4,99,68,000
37.—Construction of Railways charged to Revenue		12,42,000
State Railways, Working Expenses		1,93,58,000
Interest on Railway Debt	14,82,000	
Interest on Irrigation Debt	3,90,000	
Interest on Advances chargeable against Companies	4,10,000	22,82,000
Army		41,43,000

96. The increase in the Expenditure under 3.—Land Revenue is partly caused by the famine, partly by pressing on Surveys and Settlements, partly by larger charges for the collection of the Revenue, and partly by carrying out various schemes for the improvement of District Administration.

1900-1901. Land Revenue Expenditure.

97. The increase in Forest Expenditure occurs mainly in Burma, R4,61,000, necessary to earn the increased Revenue, and in Bombay, R1,03,000, caused by the fodder scheme mentioned in paragraph 61.

1900-1901. Forest Expenditure.

98. The increase in Post Office Expenditure is a necessary outcome of the development of this progressive department, and is less than the increase in Revenue.

1900-1901. Post Office.

99. The more important increases in Police Expenditure occur in the Punjab R1,79,000, Burma R2,18,000, Bombay R2,85,000, and the Central Provinces R1,09,000. In the first two the cause is the intended increase to Border Military Police and in the two last the famine.

1900-1901. Police Expenditure.

100. The increase in Political Expenditure occurs mainly in the Punjab where it amounts to R4,82,000. It provides for the establishment of the Tochi Militia and for additional expenditure on the Kurram Militia and the Khyber Rifles, all these measures being connected with the scheme for withdrawing some of the outlying garrisons of the regular Army, which will result in a considerable saving on the whole.

1900-1901. Political Expenditure.

1900-1901. Scientific and Minor Departments.

101. The larger part of the increase under Scientific and Minor Departments is caused by the provision for the Census which is to be taken on March 1, 1901. The amount of that provision is ₹7,32,000, being about the same as the provision entered in the Budget Estimates of 1890-91. The expenditure of the Meteorological Department shows an increase of ₹54,000, and that of the Civil Veterinary Department an increase of ₹1,84,000, part of which, however, is nominal only, being a transfer of the cost of the Hissar Cattle Farm from the head Army. In Madras there is an increase of a lakh and-a-half for the charges of the aluminium manufactory started in the School of Arts: the receipts from the sale of the articles will more than cover the charges.

1900-1901. Famine Relief.

102. The Famine Relief Expenditure has been explained in other parts of this Statement.

1900-1901. 37.—Construction of Railways.

103. The increase under 37.—Construction of Railways charged to Revenue is an item of Local Expenditure. The Tanjore Local Board intends to spend ₹12,73,000 next year, from the accumulations of the local railway cess, on the commencement of an extension of the Mayavaram-Mutupet Railway. To complete the extension it will be necessary for the Board to borrow, but the loan will not be issued in the coming year.

1900-1901. Working Expenses of State Railways.

104. It has been explained in paragraph 84 that from the increase shown under State Railways, a deduction of ₹1,53,00,000, the charges of the Great Indian Peninsula Railway for nine months, must be made to arrive at the real increase. The amount then becomes ₹40,58,000, an addition which is necessitated by the larger traffic expected to bring in the increase in Receipts of ₹69,61,000 mentioned in paragraph 84.

1900-1901. Interest on Railway and Irrigation Debt.

105. The increase in the Railway and Irrigation Debt is the interest on the new capital expenditure. The amount is transferred from Interest on ordinary Debt.

1900-1901. Army Expenditure.

106. The famine is responsible for a large part of the increased Military expenditure in India, the cost of food supplies for men and animals being taken ₹47,30,000 higher than in the Budget Estimate of the present year. The orders regarding the messing allowances of British soldiers involve a higher expenditure of ₹6,63,000. The cost of the annual reliefs is expected to be higher by ₹2,56,000. The purchase of horses to replace those sent to South Africa with Cavalry Regiments and Batteries of Artillery will cost ₹22,00,000; and the replacement of stores sent to South Africa with the Indian troops will cost ₹2,60,000. The maintenance of a larger number of transport animals adds ₹2,43,000 to the Estimates. A special purchase of 2,000 mules will cost ₹9,10,000 including the keep of the animals for a part of the year; and the purchase of 1,000 Persian mules for ordinary requirements ₹1,70,000. The new scheme regulating the promotion of Commissariat Officers will cost ₹1,00,000. The provision for "Regimental Pay and Allowances" has been raised by ₹1,30,000, and that for the Native Army Reserves, which have been increased in strength, by ₹1,39,000. Under Ordnance an increase of ₹1,87,000 has been taken. mainly to provide for larger purchase of hides for the Cawnpore Saddlery Factory from which large issues of leather were made to the South African force. The following additions have been made to the Estimates: ₹9,01,000 for the improvement of Commissariat-Transport arrangements: ₹5,64,000 for improvements in the organization of Horse and Field Batteries and additions to Mountain Battery establishments: ₹4,94,000 for the reorganisation of the four Heavy into two Howitzer Batteries: ₹4,00,000 for an addition of 92 officers to the Staff Corps: ₹3,81,000 for the increased cost of ammunition for the new rifle to be supplied to the Native Army; and ₹1,27,000 for the purchase of equipment to complete transport corps and supply trains.

On the other hand, the despatch of three Native Regiments to Ceylon, Singapore and Mauritius secures a saving of ₹6,40,000; and the expectation that the British troops sent to South Africa will not be replaced before October, a saving of ₹38,50,000. The grants for mobilization and clothing expenditure are less by ₹8,71,000, for Camps of Exercise by ₹1,45,000, and for Exchange Compensation Allowance by ₹3,35,000. And a smaller provision for special services has been made giving a reduction of ₹29,11,000: the bulk of this is due to the decision to withdraw regular troops from several outlying posts in the frontier, replacing them by Militia.

107. The important savings in Expenditure in India are:— *1900-1901. Decreases in Expenditure in India.*

	R
Interest on Ordinary Debt	6,77,000
Medical	26,28,000
31.—Exchange	31,96,000
Protective Railways	49,00,000
Reduction or Avoidance of Debt	60,39,000
Guaranteed Railways, Surplus Profits, etc.	27,48,000
Military Works	14,87,000
Civil Works	41,05,000

108. The Interest on Ordinary Debt is reduced by R22,82,000, being the amount transferred to Railway and Irrigation Debt, see paragraph 105; and a smaller provision has been made for arrear payments than in the Budget Estimate of the present year. On the other hand, we have made a provision of R20,00,000 for the interest and possible discount on the loan which is to be raised in India in the coming year. *1900-1901. Interest.*

109. The saving in Medical Expenditure is accounted for by the facts that it is unnecessary to repeat the provision of a reserve of R20,95,000 for plague preventive measures, and that the Madras and the Central Provinces Governments have reduced their provisions for that purpose by R9,77,000 and R51,000. On the other hand, the Bengal Government has provided R2,00,000 for plague preventive measures, and there are small increases in general Medical Expenditure in the other Provinces, some of them caused by famine. *1900-1901. Medical Expenditure.*

110. The explanation of the difference under 31.—Exchange is given in paragraph 72. *1900-1901. 31.—Exchange.*

111. The explanation of the reduction under Protective Railways and Reduction or Avoidance of Debt has been given in paragraph 73.

112. The reduction in the payments of surplus profits, etc., to Guaranteed Railways occurs mainly on the Great Indian Peninsula Railway, of which the earnings will be very low in the half-year ending June 30, the last in which such payments will fall due in respect of it, as it will then become a State Railway. *1900-1901. Surplus Profits, etc.*

113. In the Budget Estimate of this year a special addition of 15 lakhs was made to the Military Works grant for the cost of defensive works on the frontier. The financial position does not admit of a similar addition next year. *1900-1901. Military Works.*

114. The great bulk of the expenditure on Civil Works is Provincial. Burma is the only Province of which the Provincial Revenues are in a really prosperous condition, but Bengal, the North-Western Provinces and Oudh, and Assam are fairly well off: all the others have difficulty in securing equilibrium in the Provincial finances. The Burma Government has provided for an increase in Public Works expenditure of R21,97,000. The Chief Commissioner of Assam estimates for a reduction of R8,63,000, but the reason is that the expenditure this year was exceptional, being the continuation of the repair of earthquake damages for which Imperial Revenues made a large special grant: the back of that special expenditure has been broken, and a reduction is possible next year. In all the other Provinces large reductions have been made to help the Local Governments to secure equilibrium in the Provincial Revenues. The amounts are:— *1900-1901. Civil Works.*

	R
Bombay	13,79,000
Bengal	11,90,000
The Punjab	10,57,000
Madras	8,52,000
The Central Provinces	5,31,000
The North-Western Provinces and Oudh	3,38,000

115. The sterling Revenue next year is taken less than in the Budget Estimate of this year by £29,600. Almost the whole of this decrease is due to the omission of receipts in connection with the Indian Troopship Service, a net amount for the Service being provided on the Expenditure side. *1900-1901. Revenue in England.*

116. The sterling expenditure is increased by £717,400. The larger items of increase are:— *1900-1901. Expenditure in England.*

£
37,500 in interest payments, the amount of India Bills being higher by £500,000, and the probable rate of interest being taken at 3 instead of 2½ per cent.

£
51,400 for Telegraph Stores, which require replenishment.
11,500 in payments for the Indo-European Telegraphs, the increase in the homeward traffic, and the carriage of a larger percentage by the Indo-European route being expected to continue.
114,800 in payments for the Troopship *Hardinge* under construction.
40,000 in payments of civil furlough allowances and pensions.
183,300 in the interest payments connected with the Great Indian Peninsula Railway. The Railway is to be purchased by the Government by means of terminable annuity, and the amount charged to Railway Revenue will include the part of the annuity which goes towards repayment of the capital.
62,900 in payments of interest on capital deposited by Railway Companies, caused by further receipts of capital.
321,700 in the payments for Ordnance and other Military stores. This is caused by the decision to re-arm the Native Army in India and to adopt other measures to increase the efficiency of the Army.

On the other hand, the Army non-effective charges are reduced by £69,500; and the payments to the War Office in respect of British Forces in India are expected to be less by £30,000 owing to the absence of troops in South Africa.

1900-1901. Exchange.

117. The adoption of the rate of 16*d.* the rupee in the Budget Estimate for next year yields a saving as compared with the Budget Estimate of this year, in which the rate of $15\frac{3}{4}d.$ was adopted. The net sterling Expenditure next year is £17,071,500. The equivalent is ₹26,01,37,000 at $15\frac{3}{4}d.$ the rupee and ₹25,60,72,000 at 16*d.* the rupee. The difference ₹40,65,000 represents the saving due to the rise in the rate of exchange. The saving in exchange compensation allowance from the same cause amounts to ₹6,81,000.

Section IV.—Statements comparing the figures of the Estimates under the more important heads of Revenue and Expenditure with those of past years.

LAND REVENUE.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
REVENUE—						
Including that due to Irrigation—	₹	₹	₹	₹	₹	₹
India General .	14,74,710	14,86,540	14,89,725	14,35,000	11,72,000	12,39,000
Central Provinces .	66,04,030	66,77,540	87,39,102	95,43,000	60,00,000	60,00,000
Burma . .	2,39,69,610	2,64,62,700	2,80,72,302	2,76,40,000	2,97,60,000	2,96,55,000
Assam .	60,62,310	59,61,230	62,84,108	62,00,000	63,00,000	63,40,000
Bengal . .	3,87,68,380	3,97,82,190	4,04,47,854	4,07,85,000	4,09,00,000	4,09,00,000
North-Western Provinces and Oudh	5,10,43,740	5,71,96,780	6,75,46,330	6,77,82,000	6,55,24,000	6,55,88,000
Punjab . .	2,32,97,550	2,51,08,920	2,63,20,213	2,61,75,000	2,23,73,000	2,51,96,000
Madras . .	5,25,03,720	5,61,28,780	5,75,23,953	5,78,47,000	5,56,48,000	5,91,20,000
Bombay . .	4,47,38,020	4,76,79,120	4,82,57,124	4,94,34,000	4,10,88,000	4,78,04 000
TOTAL .	24,84,62,970	26,64,83,800	28,46,80,711	28,68,50,000	26,87,65,000	28,18,51,000
Shown under XXIX.—Irrigation .	87,18,080	96,47,380	1,00,87,584	1,04,31,000	1,01,53,000	1,06,71,000
Shown under I.—Land Revenue .	23,97,44,890	25,68,36,420	27,45,93,127	27,64,19,000	25,86,12,000	27,11,80,000
EXPENDITURE—						
India—						
District Administration . . .	1,89,33,760	1,94,40,420	1,87,44,040	1,91,78,000	1,90,66,000	1,96,97,000
Other Charges .	2,21,58,710	2,24,21,510	2,17,82,698	2,29,03,000	2,21,68,000	2,34,02,000
TOTAL .	4,10,92,470	4,18,61,930	4,05,26,738	4,20,81,000	4,12,34,000	4,30,99,000
England—	£	£	£	£	£	£
Other Charges .	214	901	1,255	900	600	600

118. The effect of the famines of 1896 and 1897 and of 1899 and 1900, is apparent in the figures in the above statement. The effect of the present famine on this head is explained in paragraphs 57 and 93.

OPIUM.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
INDIA.	₹	₹	₹	₹	₹	₹
Revenue—						
Bengal—Sale of Opium	4,85,03,520	3,99,10,480	4,16,38,180	4,48,80,000	5,09,15,000	5,32,80,000
Bombay—Pass Fees	1,33,48,470	96,69,850	1,32,89,500	1,28,40,000	1,27,54,000	1,27,54,000
Excise Opium and other Revenue	22,40,390	22,17,390	23,25,620	23,17,000	23,88,000	23,63,000
TOTAL	6,40,92,380	5,17,97,720	5,72,53,300	6,00,37,000	6,60,57,000	6,83,97,000
Expenditure—						
Payments to Cultivators, including purchase of Opium	2,26,48,860	2,15,72,470	2,14,33,650	2,40,00,000	2,37,24,000	2,40,00,000
Other Charges	22,03,410	22,89,740	22,76,040	25,39,000	22,14,000	25,38,000
TOTAL	2,48,52,270	2,38,62,210	2,37,09,690	2,65,39,000	2,59,38,000	2,65,38,000
ENGLAND.	£	£	£	£	£	£
Other Charges	882	1,853	1,545	2,200	2,000	1,600
Statistics—						
Bengal—						
Chests sold	39,000	39,000	39,450	40,800	41,700	44,400
Average Price ₹	1,244	1,023	1,055	1,100	1,221	1,200
Chests produced	45,041	45,500	44,075	...	51,719	...
Chests in Balance, March 31st	29,587	36,080	40,696	...	50,715	...
Reserve, December 31st	—5,699	330	6,830	10,105	10,096	17,415
Bombay—						
Chests passed for export	21,751½	17,432⅔	24,000	25,680	25,508	25,508
Rate of Duty ₹	650 & 600	600 & 500	500	500	500	500

119. The only remark which need be added to the explanations given in paragraphs 47, 67, and 85 is that in June last the Government decided to discontinue the purchases of Malwa Opium for excise purposes which have been made for six years. These purchases were resorted to only as a temporary measure in view of the abnormally small produce of the poppy crops and the consequent exhaustion of the reserve and great reduction in the annual sales. Now that somewhat better crops have enabled us to make moderate additions to the annual sales and to the reserve, it is undesirable to continue the purchase of Malwa Opium. This decision does not affect the provision for expenditure next year, as the practice is to provide for a normal crop, and no addition was made to the total provision because of the Malwa purchases.

SALT.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
REVENUE.	₹	₹	₹	₹	₹	₹
Northern India (*a*)	1,84,87,550	1,94,78,100	2,04,07,302	2,00,26,000	1,94,09,000	1,95,58,000
Burma (*b*)	14,09,280	15,67,440	15,81,548	16,00,000	15,50,000	15,87,000
Bengal (*b*)	2,50,01,190	2,46,33,150	2,51,23,488	2,50,00,000	2,56,40,000	2,53,23,000
Madras (*a*)	1,69,41,640	1,72,69,610	1,99,84,130	1,79,31,000	1,87,88,000	1,85,88,000
Bombay (*a*)	2,23,77,390	2,29,93,950	2,39,02,245	2,30,15,000	2,28,00,000	2,26,20,000
TOTAL	8,42,17,050	8,59,42,250	9,09,98,713	8,75,72,000	8,81,87,000	8,76,76,000
CHARGES.	₹	₹	₹	₹	₹	₹
India	52,30,350	47,30,150	46,53,139	53,64,000	50,07,000	52,96,000
England	£ 191	£ 468	£ 258	£ 600	£ 700	£ 200

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

120. The Salt Revenue this year, though higher than the moderate Budget Estimate, is considerably lower than the high figure attained in 1898-99. The famine has rendered it necessary to estimate the Revenue next year at an amount decidedly lower than what should now be taken as the normal in an ordinary year.

STAMPS.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
REVENUE.	₹	₹	₹	₹	₹	₹
Court Fees and Plain Paper	3,21,60,050	3,30,53,760	3,34,43,390	3,37,12,000	3,38,34,000	3,41,63,000
Commercial and other Stamps	1,47,68,700	1,45,60,340	1,36,26,220	1,44,79,000	1,36,92,000	1,30,95,000
Other Revenue	8,48,670	7,56,330	9,06,890	7,80,000	9,49,000	8,53,000
TOTAL	4,77,77,420	4,83,70,430	4,79,76,500	4,89,71,000	4,84,75,000	4,90,11,000
CHARGES.	₹	₹	₹	₹	₹	₹
India	9,70,060	9,79,980	9,47,390	10,04,000	9,40,000	10,13,000
	£	£	£	£	£	£
England (Stores)	40,808	35,844	35,296	39,300	40,000	25,300

121. The usual increase in Stamp Revenue received a check in 1898-99 as occasionally happens. There has been some recovery this year, though not to the extent assumed in the Budget Estimate. A further recovery of an amount sufficient to bring the total up to the Budget Estimate of this year is anticipated next year.

EXCISE.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
REVENUE.	₹	₹	₹	₹	₹	₹
Bengal	1,33,99,310	1,27,47,750	1,34,27,050	1,35,00,000	1,40,00,000	1,40,00,000
North-Western Provinces	44,64,440	45,14,960	56,84,850	55,75,000	63,50,000	63,50,000
Madras	1,48,96,570	1,46,19,450	1,36,77,420	1,42,00,000	1,34,00,000	1,29,36,000
Bombay	1,09,96,500	1,09,49,960	1,14,39,070	1,14,60,000	1,06,00,000	1,07,85,000
Other Provinces	1,23,85,180	1,20,62,420	1,32,05,830	1,30,47,000	1,35,59,000	1,32,19,000
TOTAL	5,61,42,000	5,48,94,540	5,74,34,220	5,77,82,000	5,79,09,000	5,72,90,000
CHARGES.	₹	₹	₹	₹	₹	₹
India	21,24,800	24,02,710	24,30,140	26,16,000	24,73,000	26,23,000
	£	£	£	£	£	£
England	226	123	...	100	...	...

122. The increase of Excise Revenue this year has been smaller than the usual increase, and next year we estimate for a decline. The famine is the main reason in both cases, though in Madras, where the decline is largest, other causes are in operation as explained in paragraph 94.

PROVINCIAL RATES.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
REVENUE.	₹	₹	₹	₹	₹	₹
District Local Funds	2,08,60,800	2,26,97,310	2,38,92,880	2,37,44,000	2,27,30,000	2,36,80,000
Provincial Cesses, including Famine Insurance	65,72,600	64,17,310	66,84,340	67,56,000	65,03,000	66,45,000
Village Service and Patwaris	66,74,870	67,83,990	72,06,980	74,86,000	69,76,000	73,61,000
Other Cesses	12,60,280	13,34,290	14,37,230	15,29,000	15,09,000	15,10,000
TOTAL	3,53,68,550	3,72,32,900	3,92,21,430	3,95,15,000	3,77,18,000	3,91,96,000
Charges	5,43,010	5,25,300	5,57,370	6,06,000	5,94,000	6,66,000

123. The revenue under this head follows in the main the variations in Land Revenue.

CUSTOMS.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
IMPORT DUTIES—	₹	₹	₹	₹	₹	₹
Arms, Ammunition, and Military Stores	3,72,150	3,57,280	3,47,390	3,42,000	3,23,000	3,28,000
Liquors—Spirits	59,90,450	60,60,880	63,66,060	59,83,000	71,26,000	71,45,000
Other sorts	6,01,200	5,52,240	5,86,610	6,52,000		
Articles of Food and Drink	30,59,530	38,70,630	35,36,810	35,74,000	33,84,000	32,26,000
Countervailing Sugar duties	...	...	...	...	7,09,000	7,66,000
Chemicals, Drugs, Medicines, etc.	9,21,080	10,69,330	10,77,070	10,34,000	10,69,000	11,14,000
Silver Bullion and Coin	32,64,810	43,38,990	28,67,800	23,70,000	22,03,000	20,63,000
Other Metals and Manufactures of Metals	20,24,800	22,24,240	10,85,530	21,87,000	17,30,000	19,98,000
Oils	42,90,670	55,60,150	48,59,460	44,94,000	42,34,000	45,66,000
Manufactured Articles	50,87,990	43,65,910	49,87,900	48,48,000	55,04,000	52,33,000
Raw Materials and Unmanufactured Articles	8,80,810	9,94,800	8,46,550	9,41,000	7,88,000	8,68,000
Cotton Goods	91,78,160	79,57,200	84,63,910	90,21,000	94,67,000	91,05,000
TOTAL IMPORT DUTIES	3,56,71,650	3,73,51,650	3,59,25,090	3,54,46,000	3,65,97,000	3,64,12,000
Excise Duty on Cotton Goods	11,23,440	11,61,880	13,72,910	13,29,000	11,50,000	11,44,000
EXPORT DUTIES—						
Rice	75,51,670	72,48,190	1,01,12,130	90,00,000	88,05,000	87,25,000
LAND CUSTOMS AND MISCELLANEOUS	5,68,010	6,51,230	6,11,490	7,12,000	7,47,000	7,32,000
GRAND TOTAL	4,49,14,770	4,64,12,950	4,80,21,620	4,64,87,000	4,72,99,000	4,70,13,000
Charges	20,33,860	21,13,790	21,48,440	23,21,000	22,85,000	23,53,000

124. The Revenue from Import Duties shows a considerable increase over last year and the Budget Estimate of this year. The main item of improvement is the new source of revenue from the countervailing Sugar Duties (see paragraph 26, Part I) which are expected to yield ₹7,09,000 this year and ₹7,66,000 next year. Important increases also occur under Liquors, Manufactured Articles and Cotton Goods, while there are decreases under the other subdivisions of the Tariff.

The Export Duties have fallen off in consequence of the famine which diverts rice from the foreign export trade to India.

ASSESSED TAXES.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
	₹	₹	₹	₹	₹	₹
Deduction by Government from Salaries, Pensions, and Interest payments	43,92,590	44,44,940	43,62,540	44,97,000	43,68,000	43,70,000
Other Collections	1,43,35,500	1,45,09,710	1,48,59,370	1,49,91,000	1,51,72,000	1,52,07,000
TOTAL .	1,87,28,090	1,89,54,650	1,92,21,910	1,94,88,000	1,95,40,000	1,95,77,000
Charges	3,03,230	3,22,780	3,28,120	3,35,000	3,34,000	3,44,000

125. This head Revenue continues its slow but steady improvement.

FOREST.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
	₹	₹	₹	₹	₹	₹
India—						
Revenue	1,73,38,690	1,73,95,140	1,85,98,680	1,79,07,000	1,86,56,000	1,78,33,000
Expenditure	98,03,280	99,51,680	97,95,850	1,05,67,000	1,10,19,000	1,11,43,000
NET .	75,35,410	74,43,460	88,02,830	73,40,000	76,37,000	66,90,000
Equivalent in sterling . .	502,361	496,231	586,855	489,300	509,100	445,900
Expenditure in England . .	8,205	4,172	7,421	7,200	10,900	9,000
NET REVENUE .	494,156	492,059	579,434	482,100	498,200	436,900

126. The variations under this head have been explained in paragraphs 59, 61, and 97.

INTEREST RECEIPTS.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
	₹	₹	₹	₹	₹	₹
India . . .	91,27,660	84,06,810	1,01,46,264	91,36,000	83,79,000	92,60,000
	£	£	£	£	£	£
England . . .	102,231	20,190	29,867	10,000	46,000	10,000

INTEREST EXPENDITURE.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
	₹	₹	₹	₹	₹	₹
Interest on Debt—						
India	3,75,34,600	3,81,97,240	3,90,61,132	3,94,95,000	3,90,00,000	4,11,00,000
Deduct charged to—						
Irrigation	*1,25,34,790*	*1,28,42,490*	*1,31,26,938*	*1,34,59,000*	*1,34,49,000*	*1,38,49,000*
Railways	*3,87,34,010*	*4,07,90,090*	*4,29,27,622*	*4,45,45,000*	*4,50,87,000*	*4,64,37,000*
Balance charged to Interest	—1,37,34,200	—1,54,35,340	—1,69,93,428	—1,85,09,000	—1,95,36,000	—1,91,86,000
	£	£	£	£	£	£
Equivalent in sterling	—915,613	—1,029,023	—1,132,895	—1,233,900	—1,302,400	—1,279,100
England	2,630,704	2,879,215	2,805,866	2,844,100	2,905,600	2,881,600
TOTAL	1,715,091	1,850,192	1,672,971	1,610,200	1,603,200	1,602,500
Interest on other Obligations—						
On Savings Bank Balances converted at ₹15 = £1	£ 231,037	£ 218,029	£ 215,282	£ 224,400	£ 221,500	£ 234,500
Other items	74,422	125,459	129,295	129,800	129,800	124,800
TOTAL	2,020,550	2,193,680	2,017,548	1,964,400	1,954,500	1,961,800
Debt outstanding, March 31—	£	£	£	£	£	£
Sterling	114,883,233	123,274,680	124,268,605	124,389,780	124,267,305	130,689,705
Rupee Debt—	₹	₹	₹	₹	₹	₹
4 per cent	5,31,63,800	5,19,62,040	5,07,61,960	4,95,62,040	4,94,21,960	4,80,61,960
$3\frac{1}{2}$ per cent	90,91,86,100	93,93,70,300	95,14,12,400	95,13,70,300	95,12,28,400	98,10,78,400
3 per cent	10,95,48,200	10,97,23,500	11,07,05,100	10,97,23,500	11,07,05,100	11,07,05,100
Other Debt	1,92,52,430	1,59,00,500	1,36,67,520	1,39,48,500	1,33,91,520	1,33,51,520
Savings Bank Balances	10,88,67,920	10,55,67,340	10,79,12,020	11,25,52,340	11,12,54,020	11,35,40,020

127. The only remark regarding the Interest Receipts and Expenditure, and the Debt Balances, which need be added to the explanations given in paragraphs 59, 68, 77, 78, 108 and 116, is that the famine is expected to cause this year a net reduction of over seven lakhs in the Savings Bank Balances, apart from the addition of interest: next year we assume that there will be a net withdrawal, apart from interest, of 20 lakhs.

POST OFFICE, TELEGRAPH, AND MINT.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
Post Office—	₹	₹	₹	₹	₹	₹
India—						
Revenue	1,78,34,740	1,87,91,630	1,91,40,671	1,90,33,000	1,94,69,000	1,98,08,000
Expenditure	1,51,80,080	1,50,19,620	1,55,86,694	1,64,69,000	1,63,41,000	1,72,04,000
Net Revenue in India	26,54,660	31,72,010	35,53,977	25,64,000	31,28,000	26,04,000
	£	£	£	£	£	£
Equivalent in sterling	176,977	211,467	236,932	171,000	208,600	173,500
Net expenditure in England	111,452	107,165	111,013	94,700	96,200	100,700
Total net Revenue	+65,525	+104,302	+125,919	+76,300	+112,400	+72,800
Telegraph—	₹	₹	₹	₹	₹	₹
India—						
Revenue Accounts—						
Revenue	1,06,51,810	1,30,28,230	1,06,96,792	1,09,50,000	1,23,00,000	1,20,00,000
Expenditure	67,65,670	68,63,100	70,08,805	72,81,000	73,64,000	75,41,000
Net	38,86,140	61,65,070	36,87,987	36,69,000	49,36,000	44,59,000
	£	£	£	£	£	£
Equivalent in sterling	259,076	411,005	245,865	244,600	329,100	297,300
Net expenditure in England	53,026	81,093	62,492	62,800	69,300	73,800
	+206,050	+329,912	+183,373	+181,800	+259,800	+223,500
Capital Expenditure—						
India (converted at ₹15 = £1)	48,558	54,437	54,828	81,400	57,400	64,200
England	61,984	90,127	92,430	114,900	103,300	166,600
	110,542	150,564	147,258	196,300	160,700	230,800
Total net Revenue	95,508	179,348	36,115	—14,500	99,100	—7,300
Mint—	₹	₹	₹	₹	₹	₹
India—						
Revenue	15,66,750	18,20,440	7,79,115	6,05,000	51,29,000	40,92,000
Expenditure	6,13,800	8,02,730	10,80,762	6,37,000	8,60,000	7,35,000
Net Revenue	9,52,490	10,17,710	—3,01,647	—32,000	42,69,000	33,57,000
	£	£	£	£	£	£
Equivalent in sterling	63,499	67,847	—20,110	—2,200	284,500	223,800
Net expenditure in England	263	5,293	3,603	1,300	1,800	2,000
Total net Revenue	63,236	62,554	—23,713	—3,500	282,700	220,900

128. The introduction of the one anna postage rate for letters to British Possessions, in the case of the Post Office, and the decision to deliver deferred messages by messenger as received instead of delivering them by the first post of the next day, in the case of the Telegraph Department, are the two administrative improvements which have, for a time, checked the rate of increase of the Revenue of these two progressive and most efficiently managed departments.

Notwithstanding, the figures in the above table show satisfactory progress. The Telegraph Revenue has also been affected by special causes which have been explained in paragraph 51, and both the Revenue Expenditure and the Capital Expenditure have to be specially high next year to enable the department to cope with the annually increasing traffic, to keep the older lines in proper repair, and to carry out the extensions which have been ordered.

129. The Mint figures are explained in paragraphs 52 and 89.

CIVIL DEPARTMENTS.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
Expenditure.						
INDIA.	₹	₹	₹	₹	₹	₹
General Administration	1,58,72,780	1,58,80,160	1,58,14,295	1,57,92,000	1,58,29,000	1,59,42,000
Law and Justice. Courts	3,09,33,110	3,13,24,810	3,07,27,343	3,15,50,000	3,10,93,000	3,18,53,000
Law and Justice. Jails	1,08,22,460	1,11,87,030	1,02,88,204	1,08,39,000	1,01,81,000	1,10,13,000
Police	4,15,55,770	4,23,28,550	4,17,95,480	4,30,30,000	4,24,65,000	4,39,63,000
Marine	36,68,660	34,47,620	33,60,546	35,12,000	32,07,000	36,29,000
Education	1,57,34,000	1,57,86,630	1,59,56,775	1,67,32,000	1,63,31,000	1,68,77,000
Ecclesiastical	18,91,440	17,35,790	16,97,403	18,52,000	17,20,000	18,20,000
Medical	1,06,51,580	1,32,89,520	1,60,12,347	1,67,81,000	1,38,76,000	1,41,53,000
Political	96,32,320	89,57,600	86,60,466	98,03,000	1,04,34,000	1,03,88,000
Scientific and Minor Departments	47,39,380	49,47,060	52,23,538	56,56,000	54,06,000	68,19,000
TOTAL INDIA	14,55,01,500	14,88,84,770	14,95,36,397	15,55,47,000	15,05,42,000	15,64,57,000
ENGLAND.	£	£	£	£	£	£
General Administration	260,322	257,745	252,496	253,300	321,900	254,200
Marine	212,785	213,853	204,787	226,500	355,600	341,100
Other heads	65,807	72,871	60,461	63,800	68,600	63,700
TOTAL ENGLAND	538,914	544,469	517,744	543,600	746,100	659,000

130. The special features affecting these heads have been already explained in earlier paragraphs of this Statement.

MISCELLANEOUS CIVIL CHARGES.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900.		1900-1901, Budget.
				Budget.	Revised.	
Expenditure.						
INDIA.	₹	₹	₹	₹	₹	₹
Territorial and Political Pensions . . .	42,14,660	42,78,710	41,36,446	41,03,000	40,52,000	40,41,000
Civil Furlough and Absentee Allowances .	7,460	7,630	15,949	7,000	10,000	9,000
Superannuation Allowances and Pensions .	1,00,59,610	1,04,85,950	1,06,59,923	1,09,32,000	1,10,01,000	1,12,52,000
Stationery and Printing	61,00,880	63,89,830	64,19,119	64,67,000	69,13,000	67,40,000
Exchange . . .	...	...	...	31,96,000	10,50,000	...
Miscellaneous . .	20,88,050	19,28,780	21,40,491	21,39,000	22,67,000	21,30,000
TOTAL INDIA .	2,24,70,660	2,30,90,900	2,33,71,928	2,68,44,000	2,52,93,000	2,41,72,000
ENGLAND.	£	£	£	£	£	£
Civil Furlough and Absentee Allowances	225,783	187,640	259,009	226,000	284,500	247,500
Superannuation Allowances and Pensions .	1,874,519	1,901,744	1,942,917	1,969,000	1,973,100	1,987,500
Other Heads . .	73,090	90,702	84,309	87,900	108,100	87,600
TOTAL ENGLAND .	2,173,392	2,180,086	2,286,235	2,282,900	2,365,700	2,322,600

131. There is nothing requiring remark in these figures.

FAMINE RELIEF AND INSURANCE.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900.		1900-1901, Budget.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
Famine Relief	2,07,95,250	5,32,56,080	4,00,541	57,000	3,08,22,000	5,00,25,000
Construction of Protective Railways	...	...	69,03,526	49,00,000	...	...
Ditto ditto Irrigation Works	4,68,300	3,75,170	1,16,695	3,00,000	2,72,000	5,00,000
Reduction or Avoidance of Debt .	...	...	44,52,378	60,39,000	...	...
TOTAL .	2,12,63,550	5,36,31,250	1,18,73,140	1,12,96,000	3,10,94,000	5,05,25,000
Net Charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account . . .	43,88,570	35,29,480	31,26,860	37,04,000	13,43,000	20,56,000
TOTAL EXPENDITURE CHARGEABLE TO THE FAMINE GRANT . .	2,56,52,120	5,71,60,730	1,50,00,000	1,50,00,000	3,24,37,000	5,25,81,000

132. The direct expenditure on Famine Relief is distributed among the Provinces and between Imperial and Provincial as under :—

	1899-1900 (Revised Estimate).			1900-1901 (Budget Estimate).		
	Imperial.	Provincial and Local.	TOTAL.	Imperial.	Provincial and Local.	TOTAL.
	₹	₹	₹	₹	₹	₹
India, chiefly Ajmer . .	17,48,000	...	17,48,000	17,54,000	...	17,54,000
Central Provinces . . .	1,53,60,000	40,000	1,54,00,000	1,80,00,000	...	1,80,00,000
Bengal	...	93,000	93,000	...	4,68,000	4,68,000
North-Western Provinces and Oudh	...	1,10,000	1,10,000	...	2,00,000	2,00,000
Punjab	19,70,000	2,05,000	21,75,000	35,50,000	1,76,000	37,26,000
Madras	...	2,17,000	2,17,000	7,20,000	3,05,000	10,25,000
Bombay	1,09,70,000	30,000	1,10,00,000	2,47,92,000	60,000	2,48,52,000
England converted into Rupees at ₹15 = £1	79,000	...	79,000	...	...	...
TOTAL . .	3,01,27,000	6,95,000	3,08,22,000	4,88,16,000	12,09,000	5,00,25,000

133. The ordinary rule of the Provincial Settlements is that this expenditure is Provincial. But outlay on the scale necessitated by the present famine is beyond the power of the Provincial Revenues to meet, and it has been necessary for Imperial to come to the assistance of Provincial Revenues in Bombay, the Central Provinces, and the Punjab: the Government of India has also agreed to treat as Imperial any expenditure next year in Madras in excess of 3 lakhs.

134. In addition to the direct expenditure, the famine entails indirect expenditure and loss of revenue. The following table gives an estimate of these items :—

	1899-1900, Revised.	1900-1901, Budget.
Loss of Revenue—		
Land Revenue—	₹	₹
Remissions	1,97,00,000	45,00,000
Suspensions		13,00,000
Salt	5,00,000	10,00,000
Excise	9,00,000	12,00,000
Provincial Rates—		
Remissions	2,00,000	1,00,000
Suspensions	15,00,000	6,00,000
Forest	8,00,000	4,00,000
Railways (net)	...	30,00,000
	2,36,00,000	1,21,00,000
Increase of Expenditure—		
Compensation for dearness of provisions and other charges	37,00,000	71,00,000
Total estimated cost of famine in addition to the charge under 33.—Famine Relief .	2,73,00,000	1,92,00,000

135. These do not exhaust the calls on our resources made by the famine. The present famine affects large tracts in Native States. The administration of famine relief is left to the rulers of the States, the Government of India merely offering advice through its political officers, and lending officers to such States as require that assistance. But the resources of the States are not in all cases equal to the strain on them, and the Government of India have freely promised help in the way of loans. The amount of those loans this year exceeds ₹48,00,000 and in 1900-1901 a provision has been made in the Ways and Means Estimate of ₹75,00,000.

Moreover, in British India one measure resorted to for combating famine is to increase the amount of agricultural advances : the increase on that account is ₹37,75,000 this year and about ₹20,00,000 next year.

RAILWAY REVENUE ACCOUNT.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
	₹	₹	₹	₹	₹	₹
STATE RAILWAYS—						
Gross Receipts .	17,63,96,038	19,04,45,247	19,61,39,693	20,23,74,000	21,69,61,000	23,86,86,000
Working Expenses .	8,81,95,533	9,20,12,021	9,98,52,913	10,04,70,000	10,63,94,000	11,98,28,000
	£	£	£	£	£	£
Net Revenue equivalent at ₹15 = £1 .	5,880,034	6,562,215	6,419,119	6,793,600	7,371,200	7,923,900
Interest and other Charges—						
India converted at ₹15 = £1 .	2,592,366	2,730,395	2,872,834	2,981,200	3,017,200	3,108,400
England . .	3,629,600	3,687,127	3,711,690	3,751,200	3,741,300	4,599,600
Net Result . .	—341,932	144,693	—165,405	61,200	612,700	215,900
GUARANTEED RAILWAYS—						
Net Traffic Receipts converted at ₹15 = £1 . . .	1,756,109	1,467,595	2,055,115	2,128,100	1,970,000	1,191,600
Surplus Profits, Interest and other Charges—						
India converted at ₹15 = £1 .	322,406	90,075	270,962	381,200	357,200	200,900
England . .	2,160,967	2,154,784	2,162,525	2,185,300	2,172,300	1,590,300
Net Result . .	—727,264	—777,264	—378,372	—438,100	—559,500	—599,600
Other Receipts .	16,035	9,926	29,439	20,600	30,200	27,500
Other Charges .	99,280	86,659	105,827	136,500	91,800	129,200
STATISTICS—						
State Railways—						
Capital Expenditure to March 31—						
Expenditure by Government .	95,833,433	98,257,493	101,571,314	103,284,393	104,018,214	110,910,114
Expenditure by Companies .	27,538,341	29,684,713	31,552,051	33,415,713	33,431,051	35,385,951
Outlay on the East Indian Railway from Debentures raised by the Company . .	950,000	1,550,000	1,550,000	3,050,000	2,558,000	4,158,000
Outlay on the South Indian Railway by the Company .	...	...	...	...	...	50,000
TOTAL .	124,321,774	129,492,206	134,673,365	139,750,106	140,007,265	150,504,065
Miles open on April 1 . .	14,721	15,378	15,582	16,696	16,643	17,136
Guaranteed Railways—						
Miles open on April 1 . .	2,587	2,588	2,588	2,592	2,588	2,627

136. The Revised Estimate of net receipts on State Railways in 1899-1900 is higher than the Budget Estimate by ₹86,63,000 or £577,600. The improvement is chiefly on the East Indian, Rajputana-Malwa and Bengal-Nagpur Railways and is due to general development of traffic following an increased open mileage, to heavier coal and food grain traffic and to the movement of troops sent to South Africa.

137. The increase in the Interest charges in India is due chiefly to the East Indian Railway Company not having raised during 1898-99 debentures

to the extent of £1,000,000 as was anticipated in the Revised Estimate for that year, in consequence of which the outlay on the line was provided from funds under the head 48 and interest charged in India.

138. The net receipts from State Railways in 1900-1901 are estimated at R82,91,000 or £552,700 higher than the Revised Estimate for 1899-1900. This increase is merely nominal as it is due to the inclusion under this head of the net receipts of the Great Indian Peninsula Railway which in the previous year were included in those of the Guaranteed Railways. Excluding the transactions of this Railway the results show a falling-off of R39,09,000 or £260,600, it is not considered prudent to anticipate a continuance of the exceptional traffic obtained in 1899-1900. The increase under working expenses is due, as explained above, to the inclusion of the transactions of the Great Indian Peninsula Railway under this head. The increase in Interest charges in India is due to the progress of Capital Outlay, and in England to provision having been made for the purchase of the Great Indian Peninsula Railway by means of an annuity, the interest charges in England being reduced for the same cause.

139. The Revised Estimate of net receipts from Guaranteed Railways is lower than the original Estimate by R23,75,000 or £158,400 due to a falling-off in traffic on the Great Indian Peninsula Railway consequent on the failure of the cotton and grain crops.

140. The decrease in surplus profits and other charges is due to the same cause.

IRRIGATION.

Irrigation.	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
	R	R	R	R	R	R
Major Works.						
Revenue — Direct Receipts	2,06,79,610	2,37,77,440	2,21,29,300	2,17,18,000	2,38,07,000	2,30,74,000
Revenue — Land Revenue	87,18,080	96,47,380	1,00,87,584	1,04,31,000	1,01,53,000	1,06,71,000
Expenditure — Working Expenses	87,11,800	89,21,190	94,03,920	95,81,000	1,01,20,000	98,91,000
Expenditure — Interest	1,25,34,790	1,28,42,490	1,31,26,938	1,34,59,000	1,34,49,000	1,38,49,000
Net	+81,51,100	+1,16,61,140	+96,86,017	+91,09,000	+1,03,91,000	+1,00,05,000
Minor Works.						
Receipts—Direct	21,08,700	22,73,820	24,13,856	23,62,000	22,68,000	23,49,000
Expenditure	1,12,63,500	96,77,170	94,03,466	1,03,08,000	1,00,57,000	1,07,67,000
Statistics of Major Works.						
Capital Outlay to March 31	31,89,71,390	32,63,98,030	33,31,93,720	34,25,90,030	34,25,34,720	35,31,57,720

141. The increase in the receipts from Major Works in 1899-1900 is due chiefly to the greater demand for canal water consequent on short rainfall in the districts served by the canals; the small decrease in the receipts from Minor Works is mainly due to the short supply of water in the tanks in Baluchistan. The Budget Estimate of receipts from Major Works anticipates a decrease of R7,33,000 as it is not expected that the seasons will be so favourable for Irrigation as in 1899-1900. The Estimate, however, provides for an increase of R5,35,000 in the revenue from the Chenab Canal, the direct receipts from which are expected to rise to R35,80,000 in 1900-1901, being about 50 per cent more than the actual receipts of 1898-99. The increase of Irrigation in 1899-1900 necessitated an increase in the charges for the collection of revenue as well as in the charges for maintenance and repairs.

142. The financial results obtained during 1897-98 and 1898-99 from Irrigation Works, for which Capital and Revenue Accounts are kept, are given below :—

	1897-98.	1898-99.
MAJOR WORKS.	₹	₹
Capital Outlay—		
Direct and Indirect . During the year . .	77,51,250	70,71,840
Direct and Indirect . To end of year . .	34,12,73,360	34,83,46,160
Revenue Account—		
Gross Revenue	3,38,26,840	3,26,50,990
Maintenance and Working	99,32,500	1,04,70,930
Net Revenue .	2,38,94,340	2,21,80,060
Interest	1,28,42,500	1,31,26,950
Net profit .	1,10,51,840	90,53,110
Percentage of net Revenue of the year on the Capital Outlay to end of the year . . .	7·00	6·37
MINOR WORKS.		
Capital Outlay—		
Direct and Indirect . During the year . .	13,22,000	6,85,160
Direct and Indirect . To end of year . .	5,29,24,470	5,36,09,630
Revenue Account—		
Gross Revenue	58,86,930	58,44,310
Maintenance and Working	23,95,120	27,58,610
Net Revenue .	34,91,810	30,85,700
Percentage of net Revenue of the year on the Capital Outlay to end of the year . . .	6·60	5·75

The figures in this table are taken from the administrative accounts. In the case of Minor Works interest on the Capital Outlay is not charged, as the Capital Expenditure is incurred from Revenue.

BUILDINGS AND ROADS.

	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-99.	1899-1900.		1900-1901, Budget.
				Budget.	Revised.	
EXPENDITURE.						
India—	R	R	R	R	R	R
Military Works .	1,11,59,427	1,05,95,397	1,13,26,765	1,29,96,000	1,23,26,000	1,15,09,000
Civil Works, Imperial . . .	65,76,316	20,21,205	40,89,677	38,59,000	37,47,000	40,62,000
Civil Works, Provincial . . .	2,13,17,826	2,25,80,177	2,49,41,915	3,25,14,000	2,76,71,000	2,80,81,000
Civil Works, Local .	1,68,51,234	1,56,40,103	1,60,53,002	1,71,35,000	1,63,23,000	1,72,60,000
TOTAL INDIA .	5,59,04,803	5,18,36,882	5,64,11,355	6,65,04,000	6,00,67,000	6,09,12,000
England—	£	£	£	£	£	£
Military Works .	24,725	69,633	52,531	14,900	34,000	13,400
Civil Works . .	91,371	80,866	99,043	87,500	92,300	88,600
TOTAL ENGLAND .	116,096	150,499	151,574	102,400	126,300	102,000
RECEIPTS.						
India . . R	65,26,606	62,26,319	65,91,962	64,38,000	61,92,000	62,48,000
England . . £	26,224	28,911	30,519	29,600	29,000	27,300

143. The expenditure on Imperial Military Works during 1899-1900 is expected to be less than the Budget Estimate by R6,70,000. This is chiefly due to expenditure on defensive works on the frontier having fallen short of the estimate. No special grant for the frontier works has been made in 1900-1901.

144. Under Imperial Civil Works a lapse of R1,10,000 is expected in Baluchistan. The Budget grant for 1900-1901 is higher than that for 1899-1900 owing to provision being made for special works at Bangalore and for a contribution to the Simla Municipality for expenditure on the extension project.

145. The expenditure on Provincial and Local Civil Works during 1899-1900 is expected to fall short of the Budget Estimates by R48,43,000 and R8,12,000, respectively. Under Provincial, the Budget Estimate was abnormally high, as it provided for spending the contributions from Imperial to Provincial Revenues, aggregating about R60,00,000. Owing to the occurrence of famine, expenditure, especially in the Central Provinces, Punjab, and Bombay, was restricted. The only point deserving notice in connection with the Provincial Budget Estimates for 1900-1901 is that Burma provides for expenditure to the extent of about R20,00,000 more than in the previous year. The decrease under Local Civil Works is entirely due to restriction of expenditure in connection with famine.

ARMY SERVICES.

EXPENDITURE.	Accounts, 1896-97.	Accounts, 1897-98.	Accounts, 1898-1899.	1899-1900. Budget.	1899-1900. Revised.	1900-1901, Budget.
INDIA—						
Effective Services—	₹	₹	₹	₹	₹	₹
Regimental Pay and Allowances .	8,59,86,700	8,27,82,180	8,13,00,170	8,10,49,000	7,78,94,000	7,86,35,000
Commissariat .	3,90,05,880	3,74,75,520	3,62,16,420	3,84,77,000	3,83,62,000	4,45,91,000
Ordnance . .	92,13,620	85,20,060	82,71,720	82,37,000	73,82,000	88,68,000
Other Heads .	2,93,44,600	6,56,23,780	3,97,70,180	3,22,34,000	3,11,88,000	3,19,93,000
	16,35,50,800	19,44,01,540	16,55,58,490	15,99,97,000	15,48,26,000	16,40,87,000
Non-effective Services . .	90,62,630	92,23,850	93,32,840	91,26,000	90,92,000	91,79,000
TOTAL INDIA .	17,26,13,430	20,36,25,390	17,48,91,330	16,91,23,000	16,39,18,000	17,32,66,000
ENGLAND—						
Effective Services— .	£	£	£	£	£	£
Payments to War Office in respect of British Forces serving in India.	723,894	729,719	764,400	730,000	739,400	700,000
Furlough Allowances and Pay during Voyage of British Forces serving in India .	108,806	98,390	107,875	108,000	104,000	108,000
Furlough Allowances of officers of the Indian Service.	221,273	197,800	203,833	230,000	220,000	230,000
Indian Troop Service . . .	240,362	228,944	276,556	260,600	135,800	250,000
Other Heads .	24,137	49,388	29,813	38,000	55,700	41,000
Stores for India—						
Clothing . .	158,825	177,184	190,574	193,400	147,300	204,600
Ordnance . .	290,835	269,377	281,890	352,200	203,500	643,800
Other Heads .	74,151	80,580	65,284	84,100	73,000	103,000
	1,842,283	1,829,382	1,920,225	1,996,300	1,678,700	2,280,400
Non-effective Services—						
Payments to War Office for retired pay, etc., of British Forces for services in India . .	468,795	506,847	527,523	554,000	556,900	569,000
Pay and Pensions of Non-effective and Retired officers of the Indian Service .	1,767,795	1,771,591	1,756,045	1,800,000	1,725,000	1,710,000
Other Heads .	132,262	136,407	138,111	142,800	141,100	148,300
	2,368,852	2,414,845	2,421,679	2,496,800	2,423,000	2,427,300
TOTAL ENGLAND .	4,211,135	4,244,227	4,341,904	4,493,100	4,101,700	4,707,700
	₹	₹	₹	₹	₹	₹
RECEIPTS—						
India . . .	82,41,230	80,93,320	83,87,271	81,66,000	92,94,000	99,11,000
	£	£	£	£	£	£
England . .	77,797	46,402	57,133	67,400	71,000	43,500

146. In paragraphs 76 and 106, the numerous items accounting for the variations in the Expenditure under this large and important head have been detailed. But it will be convenient here to state the causes for the increase in expenditure next year in a somewhat different way.

147. We may take first the causes which are beyond the power of the Government of India to control. The famine adds ₹47,30,000 to the expenditure by increasing the price of food supplies. And the despatch of troops out of India, without replacement, secures a net saving of ₹42,40,000—the gross saving is ₹44,90,000, but the absence of the troops involves a reduction in receipts of ₹2,50,000. The net addition to the expenditure for unavoidable reasons is accordingly ₹4,90,000.

148. The other class of items consists of increases which are the result of orders of the Government of India or of the Secretary of State. The savings effected by such orders amount to ₹29,11,000, being the result chiefly of the decision to withdraw regular troops from several outlying posts on the frontier: there is some set-off against this saving in the Civil Estimates where provision is made for the Militia or Military Police which will replace the troops.

149. On the other hand, the Government of India has deemed it prudent to sanction several measures involving increased Military Expenditure considered necessary to improve the efficiency of the Army.

The first and most important of these is the re-armament of the Native Army with the Lee-Enfield Rifle. The manufacture and supply of the arms will necessarily be spread over some years, and the provision made next year is ₹44,50,000. This represents part of the increase shown in the above table in the Sterling charge for Ordnance Stores.

Next comes the provision of Lyddite shells for a howitzer battery and siege train howitzers for which a provision of ₹2,77,000 is made.

For the improvement of Commissariat-Transport arrangements the estimates provide ₹10,00,000.

An addition of 92 officers to the Indian Staff Corps is estimated to cost next year ₹4,00,000.

The four Heavy Field Batteries are to be reorganised into two Howitzer Batteries, improvements are to be made in the organisation of the Mounted Artillery Batteries, and additions have been sanctioned to the establishments of Mountain Batteries. The cost of these measures next year will be ₹10,59,000.

Four Mountain Batteries are to be armed with a new gun, costing ₹90,000.

Fifty miles of light railway material are to be purchased costing ₹8,00,000.

The purchase of 2,000 mules has been ordered costing, with their keep for a part of next year, ₹9,10,000.

A sum of ₹75,000 has been provided to admit of experiments being made to determine the best method of adding military balloons to the equipment of the army.

The total cost of these measures exceeds ₹90,00,000.

Section V.—Capital Expenditure on Public Works not charged against Revenue.

RAILWAY CONSTRUCTION.

150. As explained in paragraphs 16 to 19 of Part I, the Expenditure on Railway Construction for which the Government undertakes any financial responsibility or gives any direct guarantee will be ₹9,28,27,000 in the current year and ₹7,30,84,000 in 1900-1901, the amount having been ₹8,84,21,189 in 1898-99, and ₹8,82,27,000 in the Budget Estimate of this year. The distribution of the total

Expenditure on Railway Construction through State and Companies' Agency in each of the three years from 1898-99 to 1900-1901, is as follows :—

	1898-99, Accounts.	1899-1900, Revised.	1900-1901, Budget.
Expenditure in England.	£	£	£
1. State Lines	766,839	634,000	910,000
2. Old Guaranteed Railways	893,241	715,300	638,000
3. Extensions of ditto	77,584	76,100	120,400
4. Other Guaranteed or Assisted Railways	746,056	908,300	702,200
TOTAL	2,483,720	2,333,700	2,370,600
Equivalent in rupees of Expenditure in England.	₹	₹	₹
1. State Lines	1,15,18,097	94,67,000	1,36,50,000
2. Old Guaranteed Railways at contract rates	97,44,453	1,02,35,000	88,55,000
3. Extensions of ditto at prescribed rates	11,71,306	11,41,000	18,05,000
4. Other Guaranteed or Assisted Railways at contract rates	1,13,35,322	1,36,27,000	1,05,26,000
TOTAL	3,37,69,178	3,44,70,000	3,48,36,000
Expenditure in India.			
1. State Lines	3,80,80,744	4,30,62,000	2,43,64,000
2. Old Guaranteed Railways (net repayments)	—47,92,616	—47,00,000	—67,27,000
3. Extensions of ditto ditto	15,05,298	34,10,000	10,63,000
4. Other Guaranteed or Assisted Railways	1,77,92,827	1,51,05,000	1,90,98,000
5. Branch Lines on firm guarantee	20,65,758	14,80,000	4,50,000
TOTAL INDIA	5,46,52,011	5,83,57,000	3,82,48,000
TOTAL OF PROGRAMME	8,84,21,189	9,28,27,000	7,30,84,000

151. The figures in the above table do not include the expenditure of Branch Line Companies not in receipt of a direct guarantee nor that of other Companies whose transactions are outside the Government accounts. Including this expenditure and also the expenditure from Provincial and Local Revenues on local lines, the total expenditure on Railway Construction in the three years may be stated as follows :—

	Accounts, 1898-99.	Revised, 1899-1900.	Budget, 1900-1901.
	₹	₹	₹
Total as in table in paragraph 150	8,84,21,189	9,28,27,000	7,30,84,000
Branch lines not on firm guarantee	89,27,019	41,82,000	—55,000
Railways outside Government accounts	68,07,000	57,61,000	66,42,000
Provincial and Local State lines	14,526	36,000	12,78,000
GRAND TOTAL	10,41,69,734	10,28,06,000	8,09,49,000

152. The following are the details of the Expenditure on State lines:—

	Accounts, 1898-99.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
	₹	₹	₹
Expenditure by State Agency—			
Open lines—			
North Western	39,65,065	24,60,000	28,15,000
Frontier Railway Reserve	—33,656	—10,000	...
Oudh and Rohilkhand	11,10,887	12,40,000	7,13,000
Eastern Bengal	18,06,308	29,00,000	33,56,000
Warora Colliery	—71,508	—57,000	—39,000
East Coast (including Bezwada-Madras)	71,98,582	9,12,000	8,00,000
Great Indian Peninsula	...	...	9,04,000
Stores transactions	4,69,859	—4,30,000	—12,51,000
Umaria Colliery	—70,145	—9,09,000	...
Burma	—5,589	...	...
Peshawar Railway Reserve Material	—6,281	...	...
TOTAL	1,43,63,522	61,06,000	72,98,000
Lines under construction—			
Teesta Bridge	3,97,743	8,15,000	4,00,000
Cooch Behar-Santrabari	3,05,213	2,00,000	...
Godavari Bridge	16,67,516	21,83,000	6,00,000
Mari-Attock	14,43,427	2,00,000	4,00,000
Indus Bridge	10,20,896	2,52,000	1,00,000
Kaunia-Dhubri Extension	18,182	6,50,000	20,00,000
Lyallpur-Khanewal	8,89,777	8,51,000	4,00,000
Shadipalli-Jodhpore Frontier	9,70,558	10,04,000	10,00,000
Ghaziabad-Moradabad	18,59,513	36,55,000	22,75,000
Rajbari-Fareedpur	2,21,980	—20,000	...
Nowshera-Dargai	...	9,14,000	5,73,000
Agra-Delhi Chord	352	1,00,000	...
Jullunder-Hoshiarpur	—981	...	...
TOTAL	87,94,176	1,08,04,000	77,48,000
Expenditure by Agency of Companies—			
Open lines—			
East Indian Railway, including extensions	1,25,59,624	1,95,00,000	1,28,20,000
Rajputana-Malwa System	—1,15,096	18,00,000	12,00,000
Tirhoot	11,49,707	5,90,000	18,00,000
Bhopal	18,638	60,000	50,000
Dhond and Manmad	29,601	1,30,000	50,000
South Indian	—19,58,792	5,00,000	5,00,000
Guntakal-Mysore Frontier	—3,780	...	...
TOTAL	1,16,79,902	2,25,80,000	1,64,20,000
Lines under construction—			
Assam-Bengal — Land, Part I	2,16,247	70,000	1,00,000
Assam-Bengal — Construction, Part II	1,17,92,594	97,50,000	41,00,000
Assam-Bengal — Chittagong jetties	4,63,766	2,16,000	10,000
Hajipur-Kathiar extension	22,88,634	24,10,000	15,38,000
Madura-Paumben	...	2,65,000	...
Tinnevelly-Quilon—British section	...	3,28,000	8,00,000
TOTAL	1,47,61,241	1,30,39,000	65,48,000
GRAND TOTAL	4,95,98,841	5,25,29,000	3,80,14,000

153. The following are the details of the expenditure on the Old Guaranteed Companies and their extensions :—

	Accounts, 1898-99.	Revised, 1899-1900.	Budget, 1900-1901.
	₹	₹	₹
Bombay, Baroda and Central India . .	40,21,367	51,81,000	10,00,000
Great Indian Peninsula	6,71,947	—4,21,000	5,28,000
Great Indian Peninsula Extensions . .	21,55,473	33,00,000	3,68,000
Madras Railway.	2,58,523	7,75,000	6,00,000
Madras Railway Extensions . . .	5,21,131	12,51,000	25,00,000
TOTAL .	76,28,441	1,00,86,000	49,96,000

154. The details of the figures under Other Guaranteed or Assisted Railways are the following :—

	Accounts, 1898-99.	Revised, 1899-1900.	Budget, 1900-1901.
	₹	₹	₹
Assam-Bengal	.....	.....	84,00,000
Bengal Central	6,16,262	4,00,000	2,50,000
Bengal-Nagpur	10,06,858	5,90,000	10,00,000
Bengal-Nagpur Extensions . . .	1,74,42,230	1,71,10,000	95,00,000
Burma Railways	72,12,253	78,00,000	88,00,000
Indian Midland, including Saugor-Katni .	19,05,920	22,88,000	7,00,000
Lucknow-Bareilly	1,28,139	69,000	3,74,000
Mysore	3,45,421	1,75,000	2,00,000
Southern Mahratta	4,71,066	3,00,000	4,00,000
TOTAL .	2,91,28,149	2,87,32,000	2,96,24,000

155. The details of the expenditure on Branch lines having a direct guarantee are :—

	Accounts, 1898-99.	Revised, 1899-1900.	Budget, 1900-1901.
	₹	₹	₹
Brahmaputra-Sultanpur . . .	5,56,414	8,00,000	4,00,000
Hardwar-Dehra	15,09,344	6,80,000	50,000
TOTAL .	20,65,758	14,80,000	4,50,000

156. The following are the details of Branch lines without a guarantee :—

	Accounts, 1898-99.	Revised, 1899-1900.	Budget, 1900-1901.
	₹	₹	₹
Ahmedabad-Parantij	5,965	—18,000	45,000
Mymensingh-Jamalpur	6,95,143	4,00,000	2,00,000
South Behar	22,37,461	9,35,000	—6,00,000
Tapti Valley	59,88,450	28,65,000	3,00,000
TOTAL .	89,27,019	41,82,000	—55,000

157. The Railways outside Government Accounts shown above are the following :—

	Accounts, 1898-99.	Revised, 1899-1900.	Budget, 1900-1901.
	₹	₹	₹
Bengal and North-Western Railway Extensions	55,55,000	37,00,000	15,50,000
Sewgoli-Rakshal Railway	2,06,000	...	...
Kalka-Simla	...	4,20,000	20,00,000
Bengal Doars	5,14,000	13,91,000	30,92,000
Nilgiri Railway	5,32,000	2,50,000	...
TOTAL	68,07,000	57,61,000	66,42,000

158. The expenditure on the Provincial and Local State lines is distributed as follows :—

	Accounts, 1898-99.	Revised, 1899-1900.	Budget, 1900-1901.
	₹	₹	₹
Jorhat and Cherra-Companygunge lines	15,885	14,000	5,000
Mayaveram-Mutupet	−1,989	22,000	12,73,000
Hyderabad Shadipalli	630	...	...
TOTAL	14,526	36,000	12,78,000

49.—Irrigation Construction.

159. The figures are :—

Accounts, 1898-99.	Budget, 1899-1900.	Revised, 1899-1900.	Budget, 1900-1901.
₹	₹	₹	₹
65,35,482	85,00,000	89,73,000	1,00,00,000

Owing to vigorous prosecution of work on the Jhelum Canal in the Punjab, an additional grant of ₹5,00,000 was made during the year. The Budget grant for 1900-1901 has been fixed at ₹1,00,00,000 to permit of work on the large projects now in hand being vigorously pushed on.

51.—Redemption of Liabilities.

160. The Budget Estimate for 1900-1901 provides £5,922,400 under this head representing the Permanent Debt brought on the Government books on account of the Debentures and Debenture Stock of the Great Indian Peninsula Railway Company for which the Secretary of State will incur the liability on the purchase of their undertaking.

Section VI.—Ways and Means.

HOME TREASURY.

161. The following are the details of the transactions of the Home Treasury in the Budget and Revised Estimate for 1899-1900 and in the Budget Estimate for 1900-1901 :—

	Budget, 1899-1900.	Revised, 1899-1900.	Budget, 1900-1901.
RECEIPTS.	£	£	£
Council Bills	17,000,000	19,000,000	16,440,000
Permanent Debt incurred	...	...	5,922,400
Temporary Debt ,,	4,500,000	6,500,000	5,000,000
Capital Receipts from Railway Companies—			
for discharge of debt	1,248,600	2,700	1,774,200
,, expenditure	1,473,000	603,100	1,766,500
Deposits and Advances, net	...	— 2,500	2,500
Add—Opening Balance	4,304,444	3,145,768	2,223,668
TOTAL	28,526,044	29,249,068	33,129,268
OUTGOINGS.			
Excess of Expenditure over Revenue	16,324,500	16,249,700	17,071,500
Expenditure not charged to Revenue—			
(*a*) Capital Outlay	682,100	644,000	913,500
(*b*) Redemption of Liabilities	...	...	5,922,400
Permanent Debt discharged	...	1,300	...
Temporary Debt ,,	4,500,000	6,500,000	4,500,000
Issues to Railway Companies on Capital Account—			
for discharge of debt	1,248,600	2,700	1,774,200
,, expenditure	1,948,700	1,704,500	1,463,600
Remittances from India, net—			
(*a*) Railway Companies' Remittances	736,000	346,700	—370,000
(*b*) Family and other Remittances	268,800	—423,500	332,500
(*c*) Gold held under Act II of 1898	...	1,500,000	—500,000
(*d*) Purchase of Silver	...	500,000	...
Add—Closing Balance	2,817,344	2,223,668	2,021,568
TOTAL	28,526,044	29,249,068	33,129,268

1899-1900. Home Treasury Ways and Means.

162. In preparing the Budget Estimates of the current year, the cash balance in the Home Treasury on the 1st of April 1899 was taken at £4,304,444, and it was assumed that with the sale of Bills on India to the amount of £17,000,000 the Secretary of State would be able, without any additions to the Sterling Debt, to meet a net disbursement of £18,487,100 during the year by drawing upon his cash balances to the extent of £1,487,100.

The East Indian Railway Company did not raise until May 1899 £1,000,000 Debenture Capital which they intended to raise in March: the sales of Council Bills in 1898-99 were less by £307,623 than the amount entered in the Revised Estimate; while, on the other hand, the net disbursements of the year were less than in the Revised Estimate of 1898-99 by £148,947. The actual cash balance on the 1st of April 1899 was consequently lower than that taken in the Budget Estimate by £1,158,676.

The heavy trade demands for funds in India enabled the Secretary of State to increase his drawings in the current year, and it is now expected that the total Bills and Transfers sold during the year will be £19,000,000 instead of the £17,000,000 entered in the Budget Estimate. But the balances in the Indian Treasuries were not sufficient to meet the whole of the drawings, and it was therefore decided to hold £1,500,000 out of the total drawings in a separate Currency

Account in the Bank of England under Act II of 1898. A sum of £500,000 has also been used for the purchase of silver for coinage into rupees in India; so that £17,000,000 out of the total drawings have been available for the ordinary disbursements of the Secretary of State. These disbursements, apart from the purchases of gold and silver mentioned above, are now expected to amount to £17,922,100, being £565,000, less than the amount, £18,487,100, entered in the Budget Estimate.

Deducting the decrease in the ordinary disbursements of £565,000 from the decrease of £1,158,676 in the opening balance, we get the diminution of the closing balance of 1899-1900 below the amount taken in the Budget Estimate, namely, £593,676, as shown in the Revised Estimate.

1899-1900. Temporary Sterling Loans.

163. No addition to the Sterling Debt was made by the Secretary of State during the year. But in accordance with the programme of the Budget Estimate, Temporary Debt for £4,500,000 was replaced by issuing an equivalent amount during the year. £2,500,000 were issued in May and £2,000,000 in September, the results of the loans having been as follows :—

Month of Issue.	Amount tendered.	Amount accepted.		Average rate of interest per cent per annum.
	£	£		£ s. d.
May 1899	7,290,000	1,500,000	for twelve months.	2 14 11½
		1,000,000	for six months.	2 10 2
September „	6,535,000	1,000,000	for twelve months.	3 4 2
		1,000,000	for six months.	3 9 9

As the two millions issued for six months fell due during the year, they had again to be replaced, raising the gross amount issued and discharged to £6,500,000 in the Revised Estimate. The additional issues of two millions have been made with the following results :—

Month of Issue.	Amount tendered.	Amount accepted.		Average rate of interest per cent per annum.
	£	£		£ s. d.
November 1899	2,580,000	500,000	for twelve months.	4 2 11
March 1900	4,232,000	1,000,000	Do.	3 18 1
		500,000	for six months.	3 17 5

The rates of interest payable on the temporary loans issued after May have been unusually high owing to the stringency in the London money market.

1899-1900. Capital of Railway Companies.

164. The net issues to Railway Companies in England during 1899-1900 are now estimated to be £1,101,400 against £475,700 entered in the Budget Estimate, showing an increase of £625,700. The usual details are as follows :—

	Budget. £	Revised. £
RECEIPTS.		
Subscribed Capital—		
(*a*) State Lines	1,754,400	401,000
(*b*) Guaranteed Lines	964,200	200,000
Miscellaneous	3,000	4,800
TOTAL	2,721,600	605,800
ISSUES.		
For Discharge of Debentures—		
(*a*) State Railways	1,234,400	*Nil.*
(*b*) Guaranteed Lines	14,200	2,700
For Stores, Establishment Charges, etc.—		
(*a*) State Railways	997,200	910,000
(*b*) Guaranteed Lines	951,500	794,500
TOTAL	3,197,300	1,707,200

The decrease of £2,117,600 in the receipts on account of subscribed Capital is made up as follows:—

	£
Receipts on account of Capital, less by—	
Bombay, Baroda and Central India Railway	500,000
Great Indian Peninsula Railway	250,000
Indian Midland Railway	70,000
Southern Mahratta Railway	50,000
Madras Railway	2,700
	872,700
Deduct—	
Bengal-Nagpur Railway, more by	—1,000
	871,700
Debentures renewed instead of being replaced by fresh Capital—	
Bengal-Nagpur Railway	1,234,400
Madras Railway	11,500
TOTAL	2,117,600

The state of the London Money Market made it desirable to postpone the raising of fresh capital as much as possible.

165. As regards the reduced drawings for expenditure on stores, etc., the estimates generally prove too high, and in the current year this is likely to be the case as regards the programmes originally settled for the Bengal-Nagpur, the Indian Midland, the Madras, and Great Indian Peninsula Railways.

166. The following are the details of the remittance transactions of Railway Companies working State lines in India to whom advances of funds are made in England for the purchase of stores, etc., against adjustments in India by debit to the Railway accounts:—

	Budget.	Revised.
	£	£
Advances for Purchase of Stores—		
East Indian Railway	1,000,000	1,147,000
Rajputana-Malwa Railway	100,000	103,400
South Indian Railway	68,000	54,500
Bengal and North-Western Railway	70,000	52,000
TOTAL	1,238,000	1,356,900
East Indian Railway Debentures	500,000	1,008,000
Transfer fees, etc.	2,000	2,200
TOTAL	502,000	1,010,200
Net Remittance from India	736,000	346,700

As stated already in paragraph 162, the East Indian Railway Company issued in May 1899 £1,000,000 Debentures entered in March last in the Estimates for 1898-99. A further issue of £500,000 was entered in the Budget Estimate, but has been postponed till next year.

The advances for purchase of stores do not differ much from the original estimates.

1899-1900. Family and other Remittances.

167. The Family and other Remittances during the year are now expected to result in a net receipt of £423,500 instead of a net payment of £268,800 entered in the Budget Estimate. The difference of £692,300 is due chiefly to the repayment by Her Majesty's Government of £650,000 in respect of disbursements in India in connection with the despatch of Troops to South Africa.

168. The net disbursements at the Home Treasury in 1900-1901 on account of Government Expenditure and Miscellaneous Family and other Remittances are estimated at £18,315,000. This amount it is proposed to provide in the following way, namely :— *1900-1901. Home Treasury Ways and Means.*

(1) the Secretary of State intends to draw £16,440,000 by Bills on India, and to issue £500,000 additional India Sterling Bills in addition to replacing those outstanding at the end of this year ;
(2) large amounts of additional capital will be issued by Railway Companies in England in 1900-1901, and there will be a net receipt in England of £672,900 from Companies ;
(3) the sum of £500,000 spent by the Secretary of State in the purchase of silver this year will be refunded to him by releasing gold held in the Bank of England on Currency account, on the payment of its equivalent in India to the Currency Department out of the proceeds of the coinage ;
(4) the total of the receipts in England mentioned above is £18,112,900 as compared with the total of £18,315,000 required and the remainder, £202,100, will be met by a reduction in the cash balances.

169. In the table in paragraph 161, a sum of £5,922,400 is shown as Permanent Debt to be incurred during the year. This represents the Debentures and Debenture Stock of the Great Indian Peninsula Railway Company, for which the Secretary of State will incur the direct liability on the purchase of the Undertaking on the 30th of June next, and the amount will be brought to account as Debt incurred against the charge of the same amount as Capital Outlay on Railways not charged to Revenue under the head Redemption of Liabilities. This is part of the purchase money of the Railway. Under the contract of the Great Indian Peninsula Railway Company with the Secretary of State, dated August 17, 1849, the Secretary of State has given notice of his intention to purchase the Undertaking on the 30th of June next. The contract provides for the payment, at the option of the Secretary of State, of the share Capital of the Company either in cash or by annuities expiring on the 16th August 1948, the amount of the Capital being determined by the average price of the Stock for the three years preceding the date of notice to purchase. It has been decided to effect the purchase by means of an annuity. The exact amount of the annuity to be paid half-yearly has not yet been settled, but for the purpose of the estimates one half-year's annuity has been taken at £687,500 and entered as a charge in the Railway Revenue Account (see paragraph 116). The decision to make the payments by annuity avoids the necessity of any sterling loan for the discharge of the share Capital, and only the outstanding Debentures and Debenture Stock of the Company are entered in the estimates as an addition to the Debt. *Purchase of the Great Indian Peninsula Railway.*

170. According to the programme now announced, the Secretary of State will obtain £16,440,000 by sale of Bills on India in 1900-1901 and no additions to the Sterling Debt of Government will be made by new loans during the year except a Temporary Debt of £500,000 by means of India Bills. The programme is announced with the usual reservation and no pledge is given that the Secretary of State will adhere to it.

INDIA.

171. The main feature of the Ways and Means in India in 1899-1900 was a large reduction in the cash balances in the closing months of the year caused by the expenditure on famine relief. No Rupee loan was required in the year: ordinarily our loans in India are raised in July or August, but the effects of famine were not felt till September and October, and the drain on the balances was not very heavy until after the period of low Treasury balances—November-December—had passed. The expenditure on the direct relief of distress in the current year will be about 308 lakhs and the loss of revenue and other increases of expenditure are estimated at a total of about 273 lakhs. Additional grants of over 86 lakhs were made during the year for loans to Native States and agriculturists for the relief of distress, and an addition of 51 lakhs was *1899-1900. Main Features.*

made to the total grant for Capital Expenditure on Railways and Irrigation Works. A charge of over one-and-a-half crores was incurred on account of the troops sent from India to South Africa to be recovered from Her Majesty's Government in England. These increased outgoings were partly counterbalanced by an increase in the Railway revenue, an increase in the Opium receipts and by profits on the coinage of silver and copper. There was a substantial reduction in the Army expenditure: and expenditure on plague preventive measures was considerably lower than was taken in the Budget Estimate; and there were general economies in ordinary expenditure of Local Governments. The total reduction in the cash balances during the year is now expected to be 353 lakhs, while a reduction of 39 lakhs only was anticipated in the Budget Estimates.

The following table compares the leading figures of the estimates of the current and the next year:—

	1899-1900.				1900-1901.	
	Budget Estimate.		Revised Estimate.		Budget Estimate.	
	Rupee figures.	Equivalent in £ at ₹15 = £1.	Rupee figures.	Equivalent in £ at ₹15 = £1.	Rupee figures.	Equivalent in £ at ₹15 = £1.
Receipts.	₹	£	₹	£	₹	£
1. Excess of Revenue over Expenditure	28,41,94,000	18,946,300	28,20,37,000	18,802,500	25,84,78,000	17,231,800
2. Rupee Loan	...	...	...	...	3,00,00,000	2,000,000
3. Increase of Unfunded Debt, mostly Savings Bank Deposits, net	52,19,000	347.900	39,21,000	261,400	29,70,000	198,000
4. Other items, net	78,91,000	526,100	47,86,000	319,000	39,10,000	260,600
5. Remittance to Secretary of State, net—						
(a) *Railway Companies' Remittances*	1,10,40,000	736,000	52,00,000	346,700	—55,50,000	—370,000
(b) *Transfer of gold through Currency under Act II of 1898*	...	...	2,25,00,000	1,500,000	—75,00,000	—500,000
(c) *Other Remittances*	33,31,000	222,100	—1,12,39,000	—749,300	67,69,000	451,300
Add—Opening Balance	17,07,20,430	11,381,362	16,76,65,040	11,177,069	13,23 20,040	8,821,369
Total	48,23,95,430	32,159,762	47,48,70,040	31,657,969	42,13,97,040	28,093,069
Outgoings.						
6. Excess Expenditure charged to Provincial Balances	92,47,000	616,500	29,85,000	199,000	82,59,000	550,600
7. Expenditure not charged to Revenue	3,29,19,000	2,194,600	3,59,80,000	2,398,700	95.62,000	637,500
8. Rupee Debt discharged	19,00,000	126,700	18,00,000	120,000	15,50,000	103,300
9. Loans to Municipalities, etc., net	24,68,000	165,900	76,66,000	511,000	90,52,000	603,400
10. *Issues on Capital Account to Railway Companies, net*	1,17.66,000	784,400	1,24,86,000	832,400	1,23,23,000	821.600
11. *Council Bills*	25,72,81,000	17.152,100	28,16,33,000	18,775,500	24,46,47,000	16,309.800
Add—Closing Balance	16,67,94,430	11,119,562	13,23,20,040	8,821,369	13,60,04,040	9,066,869
Total	48,23,95,430	32,159,762	47,48,70,040	31,657,969	42,13,97,040	28,093,069

The headings in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

172. A remarkable feature of the year 1899-1900 in the above table is that the net Revenue in India is taken in the Revised Estimate only 21½ lakhs less than in the Budget Estimate, notwithstanding the famine. The smallness of the reduction is partly due to the improvement in Revenue and economies in Expenditure mentioned in Section II, but three items may be mentioned here as largely accounting for it. First, 49 lakhs have been transferred from Expenditure against Revenue, under the Famine Grant to Expenditure not charged to Revenue (see paragraph 73), and the entry—No. 7—under the latter

head is increased by that amount. Second, the 60 lakhs taken in the Budget Estimate under Reduction or Avoidance of Debt are omitted altogether in the Revised Estimate, there being no unappropriated balance of the Famine Grant. Thirdly, some portion of the recoveries from Her Majesty's Government in connection with the despatch of troops to South Africa, though brought to account in India as Revenue, is paid in sterling to the Secretary of State.

1900-1901. Main Features.

173. The year 1900-1901 is expected to open with a cash balance of 1323 lakhs. A balance of 13 crores being low for the month of April, we have nothing available from the cash balances to help us in meeting the disbursements of the year, whereas in 1899-1900 we reduced the cash balance by 353 lakhs. The net Revenue in India in 1900-1901 is expected to fall short of the Revised Estimate of the current year by 236 lakhs, and the excess expenditure charged to Provincial Balances (No. 6) is greater by 53 lakhs. As compared with the current year the means at our disposal are therefore less to the extent of about six crores and a half. We have to make up the deficiency partly by loans in India and partly by reduction in the Capital Expenditure on Railways and in the Secretary of State's drawings. The reduction in the Capital Expenditure in India will be about 2 crores, and the net payments of Council Bills will be less by about 70 lakhs The charges connected with the despatch of Troops to South Africa will also be smaller next year by about a crore. These items amount to 370 lakhs. We accordingly estimate that a new loan of three crores will be required in India which, after taking into account other unimportant variations, will leave us a balance of 1360 lakhs on March 31, 1901, being about 37 lakhs more than the opening balance of the year.

Discharge of 7s. per cent portion of the 4½ per cent Loans of 1879.

174. No new Rupee loans were raised in India in 1899-1900, but the small balance of the 7*s.* per cent portion of the Transfer loan of 1879 was discharged during the year. Under the terms of this portion of the loan, the Promissory Notes could be discharged on or after the 15th of September 1893 by the payment of the equivalent in rupees of eight pounds fifteen shillings sterling for each hundred rupees of their amount—the said equivalent being calculated at the rate of exchange of the year fixed for the adjustment of financial transactions between the Indian and Imperial Governments. This rate of exchange was considerably lower than 16*d* from 1893-94 to 1898-99, and the seven shilling per cent portion of the Transfer loan of 1879 was not therefore included in the notices of discharge of Rupee loans issued since 1892-93. The rate of exchange for the year 1899-1900 was fixed at 16*d.*, and as that is the rate which will prevail in future years, and no further rise will occur, it was decided to pay off the small outstanding balance (₹2,23,000) of the loan. Accordingly by Notification No. 2710, dated June 15, 1899, issued in a Gazette Extraordinary of the same date, this small remnant of the 4½ per cent loans was notified for discharge; the amount has been completely paid off during the year.

Savings Banks, etc.

175. The following table gives the details of the transactions of Savings Banks during the last few years and the estimated transactions for 1899-1900 and 1900-1901 :—

Year.	Net additions to deposits, cash.	Interest.	Total Addition.
	₹	₹	₹
1891-92	51,79,000	30,62,000	82,41,000
1892-93	54,89,000	33,94,000	88,83,000
1893-94	17,99,000	36,80,000	54,79,000
1894-95	—8,45,000	29,70,000	21,25,000
1895-96	24,77,000	33,85,000	58,62,000
1896-97	—58,11,000	34,66,000	—23,45,000
1897-98	—65,71,000	32,70,000	—33,01,000
1898-99	—8,84,000	32,29,000	23,45,000
1899-1900, Budget	12,65,000	33,66,000	46,31,000
1899-1900, Revised	19,000	33,23,000	33,42,000
1900-1901, Budget	—12,31,000	35,17,000	22,86,000

In the Budget Estimate of the current year, allowance was made for a small addition to the Savings Bank Deposits in 1899-1900. There was a considerable increase in the net deposits during the first six months of the year, but since October there have been heavy withdrawals partly in consequence of the famine and partly in consequence of the low price of Government Securities stimulating investments in them by withdrawals from Saving Banks. It is, therefore, now expected that there will, apart from Interest, be a net withdrawal of about seven lakhs from Savings Banks during the year. For the Budget Estimate of 1900-1901 a net withdrawal of 20 lakhs, apart from Interest, is assumed in view chiefly of the famine. The other Savings Bank accounts included in the figures in the above table do not show any noticeable variations.

Loans by Government.

176. The transactions during the year 1899-1900 under the head of Loans granted by the Government were affected by the famine. The net disbursements are now expected to amount to ₹76,66,000 against ₹24,88,000 entered in the Budget Estimate. Additional grants of over 86 lakhs were made during the year, for loans to Native States and Agriculturists, but, as usually happens, the allotments made at the beginning of the year to Provinces exempt from famine have proved too high, and the net excess issues on account of the loans are now taken at only about 52 lakhs.

In fixing the Budget Estimates of 1900-1901, the Government of India have been compelled to curtail grants of loans for ordinary Public Works undertaken by Local Bodies as much as possible in order that the famine requirements may be fully met; the total provision for loans next year is taken at ₹1,66,62,000, against which there will be recoveries on account of past loans amounting to ₹76,10,000, making the estimate of net issues during the year ₹90,52,000. Nearly three-fourths of the gross amount of the loans of ₹1,66,62,000 are required for relief of famine.

1900-1901. New Rupee Loan.

177. According to the programme now announced, it is the intention of the Government of India to raise in India three crores of rupees by new loans, but full liberty is reserved as usual to vary the programme as now announced to any extent that may be considered desirable.

March 21, 1900. J. F. FINLAY.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

Accounts	1898-99
Revised Estimates . . .	1899-1900
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General Statement of the Accounts and Estimates of the Revenue India, in India

	For details, *vide* Statement.	RECEIPTS. Accounts, 1898-99.	Budget Estimate, 1899-1900.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
Revenue—		£	£	£	£
Principal Heads of Revenue—					
Land Revenue	A	18,306,208	18,427,900	17,240,800	18,078,700
Opium	"	3,816,887	4,002,500	4,403,800	4,559,800
Salt	"	6,066,581	5,838,100	5,879,100	5,845,100
Stamps	"	3,198,433	3,264,700	3,231,700	3,267,400
Excise	"	3,828,948	3,852,200	3,860,600	3,819,300
Customs	"	3,201,441	3,099,100	3,153,300	3,134,200
Other Heads	"	6,036,720	6,060,300	5,959,700	6,019,000
TOTAL PRINCIPAL HEADS	...	44,455,218	44,544,800	43,729,000	44,723,500
Interest	A	706,285	619,000	604,600	627,300
Post Office, Telegraph, and Mint	"	2,048,535	2,043,400	2,466,300	2,397,500
Receipts by Civil Departments	"	1,151,024	1,183,700	1,175,300	1,177,500
Miscellaneous	"	679,236	522,200	545,300	544,200
Railways	"	15,160,534	15,640,600	16,464,300	17,131,500
Irrigation	"	2,308,716	2,300,700	2,415,200	2,406,200
Buildings and Roads	"	469,983	458,800	441,800	443,900
Receipts by Military Department	"	616,284	611,800	690,600	704,200
TOTAL REVENUE	...	67,595,815	67,925,000	68,532,400	70,155,800
Debt, Deposits, and Advances—					
Permanent Debt (net Incurred)	C	2,553,052	...	...	7,819,100
Temporary Debt (net Incurred)	"	...	...	...	500,000
Unfunded Debt (net Incurred)	"	196,118	347,900	261,400	198,000
Deposits and Advances (net)	"	1,733,929	...	17,500	...
Loans and Advances by Imperial Government (net Repayments)	"	27,861	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	"	264,618	...	...	...
Remittances (net)	"	72,489	...	...	118,800
Secretary of State's Bills drawn	"	18,692,377	17,000,000	19,000,000	16,440,000
TOTAL RECEIPTS	...	91,136,259	85,272,900	87,811,300	95,231,700
Balance on 1st April—India	...	10,654,962	11,381,362	11,177,669	8,821,369
England	...	2,534,244	4,304,444	3,145,768	2,223,668
GRAND TOTAL	...	104,325,465	100,958,706	102,134,737	106,276,737

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT
The 21st March 1900.

W. H. DOBBIE,
Deputy Comptroller General.

and Expenditure and Receipts and Disbursements of the Government of and in England.

	For details, *vide* Statement.	DISBURSEMENTS. Accounts, 1898-99.	Budget Estimate, 1899-1900.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
Expenditure—		£	£	£	£
Direct Demands on the Revenues	B	7,100,949	7,568,300	7,467,500	7,657,100
Interest	„	2,017,548	1,964,400	1,954,500	1,961,800
Post Office, Telegraph, and Mint	„	1,910,214	1,985,100	1,972,100	2,111,100
Salaries and Expenses of Civil Departments	„	10,486,837	10,913,400	10,782,200	11,089,600
Miscellaneous Civil Charges	„	3,844,363	4,072,400	4,051,900	3,934,100
Famine Relief and Insurance	„	791,543	753,100	2,072,900	3,368,300
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	„	968	2,400	2,400	85,200
Railway Revenue Account	„	15,780,699	16,133,400	16,472,700	17,616,900
Irrigation	„	2,128,956	2,223,200	2,241,800	2,300,400
Buildings and Roads	„	3,912,331	4,536,000	4,130,800	4,162,800
Army Services	„	16,001,326	15,768,000	15,029,600	16,258,800
Special Defence Works	„	974	...	200	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	63,976,708	65,919,700	66,178,600	70,546,100
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B	978,234	...	247,000	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances	„	...	*616,500*	*446,000*	*550,630*
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	...	64 954,942	65,303,200	65,979,600	69,995,500
Expenditure not charged to Revenue—					
Capital Outlay on Railways and Irrigation Works	End of B	3,279,316	2,876,700	3,042,700	1,551,000
Capital charge involved in Redemption of Liabilities			...	...	5,922,400
Debt, Deposits, and Advances—					
Permanent Debt (net Discharged)	C	...	126,700	121,300	...
Temporary Debt (net Discharged)	„	1,500,000	...	...	...
Deposits and Advances (net)	„	...	90,400	...	287,500
Loans and Advances by Imperial Government (net Advances)	„	...	7,900	268,900	503,100
Loans and Advances by Provincial Governments (net Advances)	„	...	158,000	242,100	100,300
Capital of Railway Companies (net Payments)	„	1,383,891	1,260,100	1,933,800	518,700
Remittances (net)	„	...	46,700	725,800	...
Secretary of State's Bills paid	„	18,883,879	17,152,100	18,775,500	16,309,800
TOTAL DISBURSEMENTS	...	90,002,028	87,021,800	91,089,700	95,188,300
Balance on 31st March—India	...	11,177,669	11,119,562	8,821,369	9,066,869
England	...	3,145,768	2,817,344	2,223,668	2,021,568
GRAND TOTAL	...	104,325,465	100,958,706	102,134,737	106,276,737
Revenue		67,595,815	67,925,000	68,532,400	70,155,800
Expenditure chargeable thereon		64,954,942	65,303,200	65,979,600	69,995,500
Surplus (+) Deficit (−)		+2,640,873	+2,621,800	+2,552,800	+160,300

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

A.—*Statement of the Revenue of*

HEADS OF REVENUE.	ACCOUNTS, 1898-9..					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
Principal Heads of Revenue—	R	R	£	£	£	R	R
I.—Land Revenue	14,87,13,733	12,58,79,394	18,306,208	...	18,306,208	14,34,17,000	11,51,95,000
II.—Opium	5,72,53,305	...	3,816,887	...	3,816,887	6,60,57,000	...
III.—Salt	9,00,74,759	9,23,954	6,066,581	...	6,066,581	8,72,72,000	9,15,000
IV.—Stamps	1,22,85,082	3,56,91,414	3,198,433	...	3,198,433	1,23,91,000	3,60,84,000
V.—Excise	3,88,49,495	1,85,84,726	3,828,948	...	3,828,948	3,89,72,000	1,89,37,000
VI.—Provincial Rates	57,998	3,91,63,432	2,614,762	...	2,614,762	27,000	3,76,91,000
VII.—Customs	4,76,50,520	3,71,099	3,201,441	...	3,201,441	4,68,19,000	4,80,000
VIII.—Assessed Taxes	1,07,59,378	84,62,536	1,281,461	...	1,281,461	1,09,08,000	86,32,000
IX.—Forest	95,16,367	90,82,307	1,239,912	...	1,239,912	95,42,000	91,14,000
X.—Registration	22,14,727	21,97,031	294,117	...	294,117	21,18,000	21,03,000
XI.—Tributes from Native States	90,97,013	...	606,468	...	606,468	92,61,000	...
TOTAL	42,64,72,377	24,03,55,893	44,455,218	...	44,455,218	42,67,84,000	22,91,51,000
XII.—Interest	79,58,409	21,87,855	676,418	29,867	706,285	61,97,000	21,82,000
Post Office, Telegraph, and Mint—							
XIII.—Post Office	1,90,47,980	92,691	1,276,045	...	1,276,045	1,98,41,000	1,28,000
XIV.—Telegraph	1,06,96,792	...	713,119	7,417	720,536	1,23,00,000	...
XV.—Mint	7,79,115	...	51,941	13	51,954	51,29,000	...
TOTAL	3,05,23,887	92,691	2,041,105	7,430	2,048,535	3,67,70,000	1,28,000
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	69,667	36,18,966	245,909	...	245,909	75,000	35,18,000
XVI.—Law and Justice { Jails	2,84,105	28,01,426	205,702	...	205,702	3,08,000	30,11,000
XVII.—Police	12,039	43,50,005	290,803	...	290,803	13,000	42,77,000
XVIII.—Marine	3,77,491	15,29,137	127,109	...	127,109	5,04,000	15,13,000
XIX.—Education	19,145	22,89,331	153,898	...	153,898	23,000	23,33,000
XX.—Medical	2,277	8,37,744	56,001	1,547	57,548	2,000	8,75,000
XXI.—Scientific and other Minor Departments	1,06,088	9,38,029	69,608	447	70,055	1,43,000	10,06,000
TOTAL	8,70,812	1,63,64,638	1,149,030	1,994	1,151,024	10,68,000	1,65,33,000
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	12,03,137	5,34,918	115,870	92,698	208,568	11,95,000	5,25,000
XXIII.—Stationery and Printing	3,21,729	5,49,521	58,083	...	58,083	3,50,000	5,31,000
XXIV.—Exchange	4,29,420	...	28,628	...	28,628	...	...
XXV.—Miscellaneous	14,23,261	40,00,177	361,563	22,394	383,957	9,73,000	32,23,000
TOTAL	33,77,547	50,84,616	564,144	115,092	679,236	25,18,000	42,79,000
Railways—							
XXVI.—State Railways (Gross Receipts)	19,55,60,150	5,76,093	13,075,750	230	13,075,980	21,63,96,000	5,62,000
XXVII.—Guaranteed Companies (Net Traffic Receipts)	3,08,26,730	...	2,055,115	...	2,055,115	2,95,50,000	...
XXVIII.—Subsidized Companies (Repayment of Advances of Interest)	4,37,146	...	29,143	296	29,439	4,38,000	...
TOTAL	22,68,24,026	5,76,093	15,160,008	526	15,160,534	24,63,84,000	5,62,000
Irrigation—							
XXIX.—Major Works: Direct Receipts	1,52,27,126	69,02,174	1,475,287	...	1,475,287	1,66,99,000	71,08,000
Portion of Land Revenue due to Irrigation	1,00,87,584	...	672,505	...	672,505	1,01,53,000	...
XXX.—Minor Works and Navigation	7,69,521	16,44,335	160,924	...	160,924	7,16,000	15,52,000
TOTAL	2,60,84,231	85,46,509	2,308,716	...	2,308,716	2,75,68,000	86,60,000
Buildings and Roads—							
XXXI.—Military Works	5,42,345	...	36,156	...	36,156	5,20,000	...
XXXII.—Civil Works	98,503	59,51,114	403,308	30,519	433,827	1,07,000	55,65,000
TOTAL	6,40,848	59,51,114	439,464	30,519	469,983	6,27,000	55,65,000
Receipts by Military Department—							
XXXIII.—Army: Effective	70,84,884	...	472,326	41,919	514,245	84,56,000	...
Non-effective	8,87,903	...	59,193	15,214	74,407	8,38,000	...
Military operations	4,14,484	...	27,632	...	27,632	...	...
TOTAL	83,87,271	..	559,151	57,133	616,284	92,94,000	...
TOTAL REVENUES	73,11,39,408	27,91,59,409	67,353,254	242,561	67,595,815	75,72,10,000	26,70,60,000

India, in India and in England.

ESTIMATE, 1899-1900.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1899-1900.	BUDGET ESTIMATE, 1900-1901.					Increase + Decrease — of Budget, 1900-1901, as compared with Budget Estimates, 1899-1900.	Increase + Decrease — of Budget, 1900-1901, as compared with Revised Estimates, 1899-1900.
				India. (Rupee Figures.)						
Total India (converted into £ at R15=£1).	England.	Total.		Imperial.	Provincial and Local.	Total India (converted into £ at R15=£1).	England.	Total.		
£	£	£	£	R	R	£	£	£	£	£
17,240,800	...	17,240,800	—1,187,100	15,20,19,000	11,91,61,000	18,078,700	...	18,078,700	—349,200	+837,900
4,403,800	...	4,403,800	+401,300	6,83,97,000	...	4,559,800	...	4,559,800	+557,300	+156,000
5,879,100	...	5,879,100	+41,000	8,67,45,000	9,31,000	5,845,100	...	5,845,100	+7,000	—34,000
3,231,700	...	3,231,700	—33,000	1,25,40,000	3,64,71,000	3,267,400	...	3,267,400	+2,700	+35,700
3,860,600	...	3,860,600	+8,400	3,85,37,000	1,87,53,000	3,819,300	...	3,819,300	—32,900	—41,300
2,514,500	...	2,514,500	—119,800	6,000	3,91,90,000	2,613,000	...	2,613,000	—21,300	+98,500
3,153,300	...	3,153,300	+54,200	4,65,26,000	4,87,000	3,134,200	...	3,134,200	+35,100	—19,100
1,302,700	...	1,302,700	+3,500	1,09,24,000	86,53,000	1,305,200	...	1,305,200	+6,000	+2,500
1,243,700	...	1,243,700	+49,900	91,43,000	86,90,000	1,188,800	...	1,188,800	—5,000	—54,900
281,400	...	281,400	—26,400	22,10,000	21,92,000	293,500	...	293,500	—14,300	+12,100
617,400	...	617,400	—7,800	92,77,000	...	618,500	...	618,500	—6,700	+1,100
43,729,000	...	43,729,000	—815,800	43,63,24,000	23,45,28,000	44,723,500	..	44,723,500	+178,700	+994,500
558,600	46,000	604,600	—14,400	71,35,000	21,25,000	617,300	10,000	627,300	+8,300	+22,700
1,298,000	...	1,298,000	+29,100	1,96,91,000	1,17,000	1,320,500	...	1,320,500	+51,600	+22,500
820,000	6,400	826,400	+92,200	1,20,00,000	...	800,000	4,200	804,200	+70,000	—22,200
341,900	...	341,900	+301,600	40,92,000	...	272,800		272,800	+232,500	—69,100
2,459,900	6,400	2,466,300	+422,900	3,57,83,000	1,17,000	2,393,300	4,200	2,397,500	+354,100	—68,800
239,500	...	239,500	—6,500	77,000	36,27,000	246,900	...	246,900	+900	+7,400
221,300	...	221,300	—11,200	3,24,000	28,93,000	214,500	...	214,500	—18,000	—6,800
286,000	...	286,000	—7,900	12,000	43,41,000	290,200	...	290,200	—3,700	+4,200
134,500	...	134,500	+16,200	1,80,000	15,45,000	115,000	...	115,000	—3,300	—19,500
157,100	...	157,100	—800	24,000	23,61,000	159,000	...	159,000	+1,100	+1,900
58,400	1,500	59,900	+300	3,000	8,87,000	59,300	1,500	60,800	+1,200	+900
76,600	400	77,000	+1,500	1,27,000	12,35,000	90,800	300	91,100	+15,600	+14,100
1,173,400	1,900	1,175,300	—8,400	7,47,000	1,68,89,000	1,175,700	1,800	1,177,500	—6,200	+2,200
114,600	90,300	204,900	—4,100	12,06,000	5,39,000	116,300	87,000	203,300	—5,700	—1,600
58,700	...	58,700	+3,600	3,12,000	5,26,000	55,900	...	55,900	+800	—2,800
...	...	...	...	1,81,000	...	12,100	...	12,100	+12,100	+12,100
279,800	1,900	281,700	+23,600	6,95,000	33,60,000	270,400	2,500	272,900	+14,800	—8,800
453,100	92,200	545,300	+23,100	23,94,000	44,25,000	454,700	89,500	544,200	+22,000	—1,100
14,463,900	200	14,464,100	+972,500	23,83,16,000	3,67,000	15,912,200	200	15,912,400	+2,420,800	+1,448,300
1,970,000	...	1,970,000	—158,400	1,78,74,000	...	1,191,600	...	1,191,600	—936,800	—778,400
29,200	1,000	30,200	+9,600	3,98,000	...	26,500	1,000	27,500	+6,900	—2,700
16,463,100	1,200	16,464,300	+823,700	25,65,88,000	3,67,000	17,130,300	1,200	17,131,500	+1,490,900	+667,200
1,587,100	...	1,587,100	+139,300	1,61,60,000	69,14,000	1,538,200	...	1,538,200	+90,400	—48,900
676,900	...	676,900	—18,500	1,06,71,000	...	711,400	...	711,400	+16,000	+34,500
151,200	...	151,200	—6,300	7,67,000	15,82,000	156,600	...	156,600	—900	+5,400
2,415,200	...	2,415,200	+114,500	2,75,98,000	84,96,000	2,406,200	..	2,406,200	+105,500	—9,000
34,700	...	34,700	+800	5,26,000	...	35,100	...	35,100	+1,200	+400
378,100	29,000	407,100	—17,800	1,12,000	56,10,000	381,500	27,300	408,800	—16,100	+1,700
412,800	29,000	441,800	—17,000	6,38,000	56,10,000	416,600	27,300	443,900	—14,900	+2,100
563,700	53,500	617,200	+76,400	90,84,000	...	605,600	25,000	630,600	+89,800	+13,400
55,900	17,500	73,400	+2,400	8,27,000	...	55,100	18,500	73,600	+2,600	+200
...	...	...	...	...	...	...	...	...	...	...
619,600	71,000	690,600	+78,800	99,11,000	...	660,700	43,500	704,200	+92,400	+13,600
68,284,700	247,700	68,532,400	+607,400	77,71,18,000	27,25,57,000	69,978,300	177,500	70,155,800	+2,230,800	+1,623,400

B.—*Statement of the Expenditure chargeable on the*

Heads of Expenditure.	Accounts, 1898-99. India. (Rupee figures). Imperial.	India. (Rupee figures). Provincial and Local.	Total India (converted into £ at R15=£1).	England.	Total.	Revised India. (Rupee figures). Imperial.	Revised India. (Rupee figures). Provincial and Local.
	₹	₹	£	£	£	₹	₹
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	22,04,270	8,3),068	202,889	...	202,889	20,55,000	8,69,000
2.—Assignments and Compensations	48,90,042	1,03,11,259	1,013,420	...	1,013,420	53,52,000	1,06,18,000
Charges in respect of Collection, *viz.*:—							
3.—Land Revenue	11,33,580	3,93,93,158	2,701,783	1,255	2,703,038	10,59,000	4,01,75,000
4.—Opium (including cost of Production)	2,37,09,692	...	1,580,646	1,545	1,582,191	2,59,38,000	...
5.—Salt (including cost of Production)	42,54,543	3,98,596	310,209	258	310,467	45,91,000	4,16,000
6.—Stamps	—3,44,080	12,91,469	63,159	35,296	98,455	—3,64,000	13,04,000
7.—Excise	16,04,314	8,25,826	162,009	...	162,009	16,38,000	8,35,000
8.—Provincial Rates	...	5,57,372	37,158	...	37,158	...	5,94,000
9.—Customs	8,10,712	13,37,733	143,230	65	143,295	8,48,000	14,37,000
10.—Assessed Taxes	1,64,543	1,63,578	21,875	...	21,875	1,67,000	1,67,000
11.—Forest	51,20,604	46,75,245	653,057	7,421	660,478	57,63,000	52,56,000
12.—Registration	12,45,575	12,39,532	165,674	...	165,074	12,42,000	12,35,000
Total	4,47,93,795	6,10,32,835	7,055,109	45,840	7,100,949	4,82,89,000	6,29,06,000
Interest—							
13.—Interest on Debt	3,19,01,740	71,59,392	2,604,076	3,991,656	6,595,732	3,18,06,000	71,94,000
Deduct—Amounts chargeable to Railways†	4,29,27,622	...	2,861,842	1,185,790	4,047,632	4,50,87,000	...
„ Amounts chargeable to Irrigation	75,39,145	55,87,793	875,129	...	875,129	78,21,000	56,28,000
Remainder chargeable on Ordinary Debt	—1,85,65,027	15,71,599	—1,132,895	2,805,866	1,672,971	—2,11,02,000	15,66,000
14.—Interest on other Obligations	51,14,105	53,189	344,486	91	344,577	52,27,000	41,000
Total	—1,34,50,922	16,24,788	—788,409	2,805,957	2,017,548	—1,58,75,000	16,07,000
Post Office, Telegraph, and Mint—							
15.—Post Office	1,43,20,145	12,66,549	1,039,113	111,013	1,150,126	1,50,54,000	12,87,000
16.—Telegraph	78,31,225	...	522,082	162,339	684,421	82,25,000	...
17.—Mint	10,80,762	...	72,051	3,616	75,667	8,60,000	...
Total	2,32,32,132	12,66,549	1,633,246	276,968	1,910,214	2,41,39,000	12,87,000
Salaries and Expenses of Civil Departments—							
18.—General Administration	63,35,048	94,79,247	1,054,286	252,496	1,306,782	64 7',000	93,59,000
19.—Law and Justice { Courts	2,60,358	3,04,66,985	2,048,490	927	2,049,417	2,67,000	3,08,26,000
19.—Law and Justice { Jails	14,36,732	88,51,472	685,880	...	685,880	14,33,000	87,48,000
20.—Police	6,42,747	4,11,52,733	2,786,365	778	2,787,143	6,61,000	4,18,04,000
21.—Marine (including River Navigation)	16,09,479	17,51,067	224,037	204,787	428,824	14,26,000	17,81,000
22.—Education	1,73,040	1,57,83,735	1,063,785	1,917	1,065,702	1,78,000	1,61,53,000
23.—Ecclesiastical	16,97,403	...	113,160	795	113,955	17,20,000	...
24.—Medical	4,92,497	1,55,19,850	1,067,490	10,273	1,077,763	5,37,000	1,33,39,000
25.—Political	79,60,029	7,00,437	577,364	24,627	601,991	97,05,000	7,29,000
26.—Scientific and other Minor Departments	31,36,130	20,87,408	348,236	21,144	369,380	32,38,000	21,68,000
Total	2,37,43,463	12,57,92,934	9,969,093	517,744	10,486,837	2,56,35,000	12,49,07,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	41,36,446	...	275,763	11,577	287,340	40,52,000	...
28.—Civil Furlough and Absentee Allowances	15,949	...	1,063	259,009	260,072	10,000	...
29.—Superannuation Allowances and Pensions	8,04,625	98,55,298	710,662	1,942,917	2,653,579	7,98,000	1,02,03,000
30.—Stationery and Printing	12,11,284	52,07,835	427,941	49,458	477,399	14,54,000	54,59,000
31.—Exchange	...	...	...	...	...	10,50,000	...
32.—Miscellaneous	5,88,973	15,51,518	142,699	23,274	165,973	3,92,000	18,75,000
Total	67,57,277	1,66,14,651	1,558,128	2,286,235	3,844,363	77,56,000	1,75,37,000
Famine Relief and Insurance—							
33.—Famine Relief	17,246	3,83,285	26,702	1	26,703	3,00,48,000	6,95,000
34.—Construction of Protective Railways	69,03,526	...	460,235	...	460,235	...	...
35.—Construction of Protective Irrigation Works	1,16,695	...	7,780	...	7,780	2,72,000	...
36.—Reduction or Avoidance of Debt	44,52,378	...	296,825	...	296,825	...	...
Total††	1,14,89,845	3,83,285	791,542	1	791,543	3,03,20,000	6,95,000
Carried over	9,65,65,594	20,67,15,043	20,218,709	5,932,745	26,151,454	12,26,00,000	20,89,39,000

† Included under the following heads:—

	Accounts, 1898-99. India. Amount in Rupees.	Accounts, 1898-99. India. Equivalent in £ at R15=£1.	Accounts, 1898-99. England.	Accounts, 1898-99. Total.	Revised Estimate, 1899-1900. India. Amount in Rupees.	Revised Estimate, 1899-1900. India. Equivalent in £ at R15=£1.	Revised Estimate, 1899-1900. England.	Revised Estimate, 1899-1900. Total.
	₹	£	£	£	₹	£	£	£
State Railways Interest on Debt	4,15,96,849	2,773,123	966,906	3,740,029	4,32,02,000	2,885,500	950,500	3,845,100
Interest chargeable against Companies on Advances	13,30,773	88,719	218,884	307,603	18,05,000	120,300	218,900	339,200
Total	4,29,27,622	2,861,842	1,185,790	4,047,632	4,50,87,000	3,005,800	1,178,500	4,184,300

Revenues of India, in India and in England.

ESTIMATE, 1899-1900.			Increase+ Decrease— of Revised, as compared with Budget Estimates, 1899-1900.	BUDGET ESTIMATE, 1900-1901.					Increase+ Decrease— of Budget, 1900-1901, as compared with Budget Estimates, 1899-1900.	Increase+ Decrease— of Budget, 1900-1901 as compared with Revised Estimates, 1899-1900.
				INDIA (RUPEES FIGURES).						
Total India (converted into £ at R15=£1).	England.	TOTAL.		Imperial.	Provincial and Local.	Total India (converted into £ at R15=£1).	England.	TOTAL.		
£	£	£	£	R	R	£	£	£	£	£
194,900	...	194,900	— 3,400	20,45,000	8,25,000	191,300	...	191,300	—7,000	—3,600
1,064,700	...	1,064,700	+10,600	52,54,000	1,05,33,000	1,052,500	...	1,052,500	—1,600	—12,200
2,749,000	600	2,749,600	—56,700	11,54,000	4,19,45,000	2,873,300	600	2,873,900	+67,600	+124,300
1,729,200	2,000	1,731,200	—40,300	2,65,38,000	...	1,769,200	1,600	1,770,800	—700	+39,600
333,800	700	334,500	—23,700	48,74,000	4,22,000	353,000	200	353,200	—5,000	+18,700
62,600	40,000	102,600	—3,600	—3,61,000	13,74,000	67,500	25,300	92,800	—13,400	—9,800
164,900	...	164,900	—9,600	17,35,000	8,88,000	174,900	...	174,900	+400	+10,000
39,600	...	39,600	—800	...	6,66,000	44,400	...	44,400	+4,000	+4,800
152,300	300	152,600	—2,200	8,50,000	15,03,000	156,900	100	157,000	+2,200	+4,400
22,300	...	22,300	...	1,74,000	1,70,000	22,900	...	22,900	+600	+600
734,600	10,900	745,500	+33,700	58,20,000	53,23,000	742,900	9,000	751,900	+40,100	+6,400
165,100	...	165,100	—4,800	12,91,000	12,82,000	171,500	...	171,500	+1,600	+6,400
7,413,000	54,500	7,467,500	—100,800	4,93,74,000	6,49,31,000	7,620,300	36,800	7,657,100	+88,800	+189,600
2,600,000	4,084,100	6,684,100	+28,500	3,37,81,000	73,19,000	2,739,900	4,154,500	6,894,400	+238,800	+210,300
3,005,800	*1,178,500*	*4,184,300*	—36,100	*4,64,37,000*	...	*3,095,800*	*1,272,900*	*4,368,700*	—220,500	—184,400
896,600	...	*896,600*	+600	*81,86,000*	*56,63,000*	*923,200*	...	*923,200*	—26,000	—26,600
-1,302,400	2,905,600	1,603,200	—7,000	-2,08,42,000	16,56,000	-1,279,100	2,881,600	1,602,500	—7,700	—700
351,200	100	351,300	—2,900	53,48,000	40,000	359,200	100	359,300	+5,100	+8,000
—951,200	2,905,700	1,954,500	—9,900	-1,54,94,000	16,96,000	—919,900	2,881,700	1,961,800	—2,600	+7,300
1,089,400	96,200	1,185,600	—7,000	1,58,21,000	13,83,000	1,147,000	100,700	1,247,700	+55,100	+62,100
548,300	179,000	727,300	—21,400	85,04,000	...	566,900	244,600	811,500	+62,800	+84,200
57,400	1,800	59,200	+15,400	7,35,000	...	49,000	2,900	51,900	+8,100	—7,300
1,695,100	277,000	1,972,100	—13,000	2,50,60,000	13,83,000	1,762,900	348,200	2,111,100	+126,000	+139,000
1,055,200	321,900	1,377,100	+71,000	64,23,000	95,19,000	1,062,800	254,200	1,317,000	+10,900	—60,100
2,073,900	700	2,073,600	—30 100	2,58,000	3,15,95,000	2,123,500	700	2,124,200	+20,500	+50,600
678,700	...	678,700	—43,900	14,97,000	95,16,000	734,200	...	734,200	+11,600	+55,500
2,831,000	600	2,831,600	—37,700	6,53,000	4,33,10,000	2,930,900	600	2,931,500	+62,200	+99,900
213,800	355,600	569,400	+108,800	16,00,000	20,29,000	242,000	341,100	583,100	+122,500	+13,700
1,088,700	1,800	1,090,500	—26,500	1,83,000	1,66,94,000	1,125,200	1,600	1,126,800	+9,800	+36,300
114,700	400	115,100	—8,800	18,20,000	...	121,300	300	121,600	—2,300	+6,500
925,100	12,300	937,400	—191,600	5,05,000	1,36,48,000	943,500	10,200	953,700	—175,300	+16,300
695,600	23,900	719,500	+42,300	96,35,000	7,53,000	692,600	24,000	716,600	+39,400	—2,900
360,400	28,900	389,300	—14,700	43,16,000	25,03,000	454,600	26,300	480,900	+76,900	+91,600
10,036,100	746,100	10,782,200	—131,200	2,68,90,000	12,95,67,000	10,430,600	659,000	11,089,600	+176,200	+307,400
270,200	11,400	281,600	—3,300	40,41,000	...	269,400	11,400	280,800	—4,100	—800
700	284,500	285,200	+58,700	9,000	...	600	247,500	248,100	+21,600	—37,100
733,400	1,973,100	2,706,500	+8,700	7,99,000	1,04,53,000	750,200	1,987,500	2,737,700	+39,900	+31,200
460,800	56,700	517.500	+37,100	11,22,000	56,18,000	449,300	54,900	504,200	+23,800	—13,300
70,000	...	70,000	—143,000	...	...	...	...	...	—213,000	—70,000
151,100	40,000	191,100	+21,300	3,31,000	17,99,000	142,000	21,300	163,300	—6,500	—27,800
1,686,200	2,305,700	4,051,900	—20,500	63,02,000	1,78,70,000	1,611,500	2,322,600	3,934,100	—138,300	—117,800
2,049,500	5,300	2,054,800	+2,051,000	4,88,16,000	12,09,000	3,335,000	...	3,335,000	+3,331,200	+1,280,200
...	...	...	—326,700	...	...	...	...	...	—326,700	...
18,100	...	18,100	—1,900	5,00,000	...	33,300	...	33,300	+13,300	+15,200
...	...	...	—402,600	...	...	...	...	...	—402,600	...
2,067,600	5,300	2,072,900	+1,319,800	4,93,16,000	12,09,000	3,368,300	...	3,368,300	+2,615,200	+1,295,400
21,946,800	6,354,300	28,301,100	+1,044,400	14,14,48,000	21,66,56,000	23,873,700	6,248,300	30,122,000	+2,865,300	+1,820,900

BUDGET ESTIMATE, 1900-1901.			
INDIA.			
Amount in Rupees.	Equivalent in £ at R15=£1.	England.	TOTAL.
R	£	£	£
4,43,26,000	2,955,100	1,054,000	4,009,100
21,11,000	140,700	218,900	359,000
4,64,37,000	3,005,800	1,272,900	4,368,700

†† The following further sums, which are included under XXVI and 38.—State Railways, are chargeable to the grant for Famine Relief and Insurance as representing the net charge on the Revenues on account of Protective Railways constructed through the agency of Companies:—

	Accounts, 1898-99.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
Indian Midland Railway	95,973	38,600	81,400
Bengal-Nagpur Railway	111,764	50,900	55,700
TOTAL £	207,737	89,500	137,100

B.—*Statement of the Expenditure chargeable on the*

Heads of Expenditure.	Accounts, 1898-99. India. (Rupee figures.) Imperial.	India. (Rupee figures.) Provincial and Local.	Total India (converted into £ at R15=£1).	England.	Total.	Revised India. (Rupee figures.) Imperial.	Revised India. (Rupee figures.) Provincial and Local.
	R	R	£	£	£	R	R
Brought forward .	9,65,65,590	20,67,15,043	20,218,709	5,932,745	26,151,454	12,02,64,000	20,89,39,000
37.—Construction of Railways (Charged against Revenue in addition to that under Famine Insurance)	...	14,526	968	...	968	...	36,000
Railway Revenue Account—							
38.—State Railways: Working Expenses .	9,93,33,404	5,19,509	6,656,861	...	6,656,861	10,59,82,000	4,12,000
Interest on Debt . .	4,15,96,849	...	2,773,123	966,906	3,740,029	4,32,82,000	...
Annuities in purchase of Railways . . .	...	...	...	1,714,016	1,714,016	...	...
Interest chargeable against Companies on Advances .	13,30,773	...	88,719	218,884	307,603	18,05,000	...
Interest on Capital deposited by Companies .	1,64,884	...	10,992	811,884	822,876	1,71,000	...
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision .	39,82,340	...	265,489	...	265,489	52,26,000	...
Interest . .	82,089	...	5,473	2,162,525	2,167,998	1,32,000	...
40.—Subsidized Companies: Land, etc. .	9,42,142	1,01,909	69,603	...	69,603	7,27,000	40,000
41.—Miscellaneous Railway Expenditure .	5,48,415	—5,049	36,224	...	36,224	6,09,000	1,000
Total .	14,79,80,896	6,16,369	9,906,484	5,874,215	15,780,699	15,79,34,000	4,53,000
Irrigation—							
42.—Major Works: Working Expenses .	53,80,935	40,22,994	626,929	...	626,929	60,53,000	40,67,000
Interest on Debt .	75,39,145	55,87,793	875,129	...	875,129	78,21,000	56,28,000
43.—Minor Works and Navigation . .	28,41,978	65,34,263	625,083	1,815	626,898	31,10,000	69,28,000
Total .	1,57,62,058	1,61,45,050	2,127,141	1,815	2,128,956	1,69,84,000	1,66,23,000
Buildings and Roads—							
44.—Military Works	1,13,26,765	...	755,118	52,531	807,649	1,23,26,000	...
45.—Civil Works	40,89,677	4,09,94,917	3,005,639	99,043	3,104,682	37,47,000	4,39,94,000
Total .	1,54,16,442	4,09,94,917	3,760,757	151,574	3,912,331	1,60,73,000	4,39,94,000
Army Services—							
46.—Army: Effective	15,49,83,237	...	10,332,216	1,902,482	12,234,698	15,48,26,000	...
Non-Effective . . .	93,32,845	...	622,190	2,421,679	3,043,869	90,92,000	...
Military operations . . .	1,05,75,245	...	705,016	17,743	722,759	...	...
Total .	17,48,91,327	...	11,659,422	4,341,904	16,001,326	16,39,18,000	...
Special Defence Works—							
47.—Special Defence Works . . .	453	...	30	944	974	...	...
Total Expenditure, Imperial and Provincial	45,06,16,766	26,44,85,905	47,673,511	16,303,197	63,976,708	47,51,73,000	27,00,45,000
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	1,46,73,504	978,234	...	978,234	...	37,05,000
Deduct—Portion of Provincial Expenditure defrayed from Provincial balances .	...	...	...	...		...	66,90,000
Total Expenditure charged against Revenue	45,06,16,766	27,91,59,409	48,651,745	16,303,197	64,954,942	47,51,73,000	26,70,60,000

	Accounts, 1898-99. India. Amount in Rupees.	India. Equivalent in £ at R15=£1.	England.	Total.
Expenditure not charged to Revenue—				
Capital Outlay, Railways and Irrigation Works—	R	£	£	£
48.—State Railways	3,11,92,726	2,079,515	766,839	2,846,354
49.—Irrigation Works	64,85,663	432,378	3,321	435,699
50.—Miscellaneous Public Improvements	—41,053	—2,737	...	—2,737
Total .	3,76,37,336	2,509,156	770,160	3,279,316
51.—Redemption of Liabilities	...	...	...	...

Revenues of India, in India and in England—continued.

ESTIMATE, 1899-1900.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1899-1900.	BUDGET ESTIMATE, 1900-1901.					Increase + Decrease — of Budget, 1900-1901, as compared with Budget Estimates, 1899-1900.	Increase + Decrease — of Budget, 1900-1901, as compared with Revised Estimates, 1899-1900.
				India. (Rupee Figures.)						
Total India (converted into £ at R15=£1).	England.	Total.		Imperial.	Provincial and Local.	Total India (converted into £ at R15=£1).	England.	Total.		
£	£	£	£	₹	₹	£	£	£	£	£
21,946,800	6,354,300	28,301,100	+1,044,400	14,14,48,000	21,66,56,000	23,873,700	6,248,300	30,122,000	+2,85[illegible],300	+1,820,900
2,400	...	2,400	...	...	12,78,000	85,200	...	85,200	+82,800	+82,800
7,092,900	...	7,092,900	+394,900	11,95,45,000	2,83,000	7,988,500	...	7,988,500	+1,290,500	+895,600
2,885,500	959,600	3,845,100	+29,200	4,43,26,000	...	2,955,100	1,054,000	4,009,100	+193,200	+164,000
...	1,718,600	1,718,600	—600	...	...	...	2,410,300	2,410,300	+691,100	+691,700
120,300	218,900	339,200	+6,900	21,11,000	...	140,700	218,900	359,600	+27,300	+20,400
11,400	844,200	855,600	−9,400	1,89,000	...	12,600	916,400	929,000	+64,000	+73,400
348,400	...	348,400	—27,300	28,87,000	...	192,500	...	192,500	−183,200	—155,900
8,800	2,172,300	2,181,100	−9,700	1,26,000	...	8,400	1,590,300	1,598,700	−592,100	−582,400
51,100	...	51,100	−32,100	11,26,000	52,000	78,500	...	78,500	−4,700	+27,400
40,700	...	40,700	—12,600	7,50,000	10,000	50,700	...	50,700	−2,600	+10,000
10,559,100	5,913,600	16,472,700	+339,300	17,10,60,000	3,45,000	11,427,000	6,189,900	17,616,900	+1,483,500	+1,144,200
674,700	...	674,700	+35,900	58,00,000	40,91,000	659,400	...	659,400	+20,600	—15,300
896,600	...	896,600	—600	81,86,000	56,63,000	923,200	...	923,200	+26,000	+26,600
669,200	1,300	670,500	−16,700	33,09,000	74,42,000	716,700	1,100	717,800	+30,600	+47,300
2,240,500	1,300	2,241,800	+18,600	1,72,95,000	1,71,96,000	2,299,300	1,100	2,300,400	+77,200	+58,600
821,700	34,000	855,700	−25,600	1,15,09,000	...	767,300	13,400	780,700	−100,600	−75,000
3,182,800	92,300	3,275,100	−379,600	40,62,000	4,53,41,000	3,293,500	88,600	3,382,100	—272,600	+107,000
4,004,500	126,300	4,130,800	—405,200	1,55,71,000	4,53,41,000	4,060,800	102,000	4,162,800	—373,200	+32,000
10,321,800	1,678,700	12,000,500	−662,300	16,40,87,000	...	10,939,200	2,280,400	13,219,600	+556,800	+1,219,100
606,100	2,423,000	3,029,100	—76,100	91,79,000	...	611,900	2,427,300	3,039,200	−66,000	+10,100
10,927,900	4,101,700	15,029,600	−738,400	17,32,66,000	...	11,551,100	4,707,700	16,258,800	+490,800	+1,229,200
...	200	200	+200	...	...	...	...	...	...	—200
49,681,200	16,497,400	66,178,600	+258,900	51,86,40,000	28,08,16,000	53,297,100	17,249,000	70,546,100	+4,626,400	+4,367,500
247,000	...	190,000	+417,500	...	...	...	...	550,600	+65,900	—351,600
446,000	...			...	82,59,000	550,600	...			
49,482,200	16,497,400	65,979,600	+676,400	51,86,40,000	27,25,57,000	52,746,500	17,249,000	69,995,500	+4,692,300	+4,015,900

REVISED ESTIMATE, 1899-1900.				BUDGET ESTIMATE, 1900-1901.			
India.				India.			
Amount in Rupees.	Equivalent in £ at R15=£1.	England.	Total.	Amount in Rupees.	Equivalent in £ at R15=£1.	England.	Total.
₹	£	£	£	₹	£	£	£
2,71,57,000	1,810,500	634,000	2,444,500	—3,86,000	—25,700	910,000	884,300
88,23,000	588,200	10,000	598,200	99,48,000	663,200	3,500	666,700
...	...	...	..	...	...	...	...
3,59,80,000	2,398,700	644,000	3,042,700	95,62,000	637,500	913,500	1,551,000
...	...	...	...	...	...	5,922,400	5,922,400

C.—*Statement of Receipts and Disbursements*

	Accounts, 1898-99.			Revised Estimate, 1899-1900.			Budget Estimate, 1900-1901.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	67,353,254	242,561	67,595,815	68,284,700	247,700	68,532,400	69,978,300	177,500	70,155,800
Permanent, Debt incurred—									
Sterling Debt—									
India 2½ p. c. Stock .	...	5,297,654			...			...	
Debenture and Debenture stock of the G. I. P. Ry. . .	...	...		...	...			5,922,400	
Rupee Debt—									
3½ p. c. Rupee Loan .	800,000	...			...		2,000,000	...	
Total .	800,000	5,297,654	6,097,654			...	2,000,000	5,922,400	7,922,400
Net .		...	2,553,052			0			7,819,100
Temporary Debt incurred—									
Temporary Loans .	...	4,500,000	4,500,000	...	6,500,000	6,500,000	...	5,000,000	5,000,000
Net .		...	0			0			500,000
Unfunded Debt—									
Treasury Notes . .	...	...		...	...		...	...	
Deposits of Service Funds . . .	94,399	...		97,100	...		96,200	...	
Savings Bank Deposits	2,673,126	...		2,784,200	...		2,834,500	...	
Total .	2,767,525	...	2,767,525	2,881,300	...	2,881,300	2,930,700	...	2,930,700
Net .		...	196,118		...	261,400			198,000
Deposits and Advances—									
Balances of Provincial Allotments . .	978,234	...		247,000	...		...	...	
Appropriation for reduction of Debt . .	296,825	...		...	...		...	...	
Excluded Local Funds .	564,723	...		573,200	...		554,900	...	
Railway Funds . .	49,776	...		49,600	...		40,000	...	
Deposits of Sinking Funds	8,720	...		8,500	...		8,800	...	
Departmental and Judicial Deposits . .	13,531,822	...		13,981,300	...		13,723,200	...	
Advances . . .	5,840,934	243		2,916,300	...		2,608,700	2,500	
Suspense Accounts .	45,152	...		37,000	...		6,600	...	
Exchange on Remittance Accounts, net . .	...	...		700	...		...	...	
Miscellaneous . .	52,154	...		...	...		3,100	...	
Total .	21,368,340	243	21,368,583	17,813,600	...	17,813,600	16,945,300	2,500	16,947,800
Net .			1,733,929			17,500			0
Carried over .	92,289,119	10,040,458		88,979,600	6,747,700		91,854,300	11,102,400	

of the Government of India, in India and in England.

	Accounts, 1898-99.			Revised Estimate, 1899-1900.			Budget Estimate, 1900-1901.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	47,673,511	16,303,197	63,976,708	49,681,200	16,497,400	66,178,600	53,297,100	17,249,000	70,546,100
Add—Provincial Surpluses, transferred to "Deposits"	978,234	...	978,234	247,000	...	247,000	...	...	...
Deduct—Provincial Deficits, charged against "Deposits"	...	...	...	*446,000*	...	*446,000*	*550,600*	...	*550,600*
TOTAL	48,651,745	16,303,197	64,954,942	49,482,200	16,497,400	65,979,600	52,746,500	17,249,000	69,995,500
Expenditure not charged to Revenue—									
Capital outlay on Railways and Irrigation Works	2,509,156	770,160		2,398,700	644,000		637,500	913,500	
Capital charge involved in Redemption of Liabilities—									
G. I. P. Railway	...	...	3,279,316	...	...	3,042,700	...	5,922,400	7,473,400
Permanent Debt discharged—									
Sterling Debt—									
India 4 p. c. Stock	...	478			...		...	...	
India 3½ p. c. Debentures	...	3,000,000			...		...	...	
Oude and Rohilkund Railway Debenture Stock	...	383,500			1,200		...	...	
E. I. Railway Debenture	...	...			100		...	...	
Rupee Debt—									
5½ p. c. Loans	67	...		900	...		...	...	
5 p. c. Loans	11,354	...		...	...		...	...	
4½ p. c. Loans	2,580	...		2,700	...		2,700	...	
4 p. c. Loans	110,098	...		89,300	...		90,600	...	
3½ p. c. Loans	36,100	...		12,200	...		10,000	...	
7 s. per cent.	...	...		14,900	...		...	...	
Treasury Bills	420	...		...	...		...	...	
Stock Notes	5	...		...	...		...		
TOTAL	160,624	3,383,978	3,544,602	120,000	1,300	121,300	103,300	...	103,300
NET			0			121,300			0
Temporary Debt discharged—									
Temporary Loans	...	6,000,000	6,000,000	...	6,500,000	6,500,000	...	4,500,000	4,500,000
NET			1,500,000			0			0
Unfunded Debt—									
Special Loans	181	...		...	...		...	...	
Deposits of Service Funds	72,037	...		80,800	...		74,700	...	
Savings Bank Deposits	2,499,189	...		2,539,100	...		2,658,000	...	
TOTAL	2,571,407	...	2,571,407	2,619,900	...	2,619,900	2,732,700	...	2,732,700
NET			0			0			0
Deposits and Advances—									
Balances of Provincial Allotments	...	...		446,000	...		550,600		
Excluded Local Funds	554,416	...		578,100	...		547,700	...	
Railway Funds	47,079	...		47,500	...		51,300	...	
Sinking Funds	...	...		3,300	...		...	...	
Departmental and Judicial Deposits	13,326,329	...		14,002,000	...		13,752,900	...	
Advances	5,562,839	...		2,689,100	2,500		2,324,600	...	
Suspense Accounts	134,890	...		24,600	...		8,200	...	
Exchange on Remittance Accounts, net	881	...		...	...		...	...	
Miscellaneous	8,033	187		3,000	...		...	...	
TOTAL	19,634,467	187	19,634,654	17,793,600	2,500	17,796,100	17,235,300	...	17,235,300
NET			0			0			287,500
Carried over	73,527,399	26,457,522		72,414,400	23,645,200		73,455,300	28,584,900	

C.—*Statement of Receipts and Disbursements*

	Accounts, 1898-99.			Revised Estimate, 1899-1900.			Budget Estimate, 1900-1901.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	92,289,119	10,040,458		88,979,600	6,747,700		91,834,300	11,102,400	
Loans and Advances by Imperial Government .	92,824	...	92,824	127,100	...	127,100	82,000	...	82,000
Net .		...	27,861		...	0		...	0
Loans and Advances by Provincial Governments	542,302	...	542,302	447,700	...	447,700	425,300	...	425,300
Net .		...	264,618		...	0		...	0
Capital Receipts from Railway Companies—									
On account of Subscribed Capital .	689,533	1,388,569		285,100	601,000		290,700	3,537,700	
Repayments . .	1,560,091	43,203		1,494,200	4,800		853,400	3,000	
Total .	2,249,624	1,431,772	3,681,396	1,779,300	605,800	2,385,100	1,144,100	3,540,700	4,684,800
Net . .		...	0			0			
Remittances—									
Inland Money Orders .	17,436,785	...		18,000,000	...		18,333,400	...	
Other Local Remittances	27,568	...		1,303,200	...		836,000	...	
Other Departmental Accounts . .	474,883	...		443,500	...		320,100	...	
Net Receipts by Civil Treasuries from—									
Post Office . .	145,419	...		262,500	...		160,000	...	
Telegraph . .	18,570	...		66,400	...		30,500	...	
Guaranteed Railways	2,441,343	...		2,157,900	...		1,296,800	...	
Public Works .	682,153	...		...	...		782,900	...	
Net Receipts from Civil Treasuries by—									
Post Office . .	...	...		...	...		...	...	
Marine . .	145,680	...		575,100	...		208,200	...	
Military . .	10,788,907	...		10,520,500	...		10,800,700	...	
Public Works .	...	...		135,100	...		...	...	
Remittance Account between England and India—									
Railway transactions	889,516	1,938		1,356,900	1,010,200		1,881,700	2,251,700	
Other „	429,565	234,866		1,984,300	954,000		358,000	659,900	
Total .	33,480,395	236,804	33,717,199	36,805,400	1,964,200	38,769,600	35,008,900	2,911,600	37,920,500
Net .			72,489			0			118,800
Secretary of State's Bills drawn	...	18,692,377	18,692,377	...	19,000,000	19,000,000		16,440,000	16,440,000
Total Receipts .	128,654,264	30,401,411		128,139,100	28,317,700		128,514,600	33,994,700	
Opening Balance .	10,654,962	2,534,244		11,177,669	3,145,768		8,821,369	2,223,668	
GRAND TOTAL .	139,309,226	32,935,655		139,316,769	31,463,468		137,335,969	36,218,368	

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
The 21st March 1900.

W. H. DOBBIE,
Deputy Comptroller General.

of the Government of India, in India and in England—continued.

	Accounts, 1898-99.			Revised Estimate, 1899-1900.			Budget Estimate, 1900-1901.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	73,527,399	26,457,522		72,414,400	23,645,200		73,455,300	28,584,900	
Loans and Advances by Imperial Government .	64,963	...	64,963	396,000	...	396,000	585,100	...	585,100
Net .		...	0		...	268,900		...	503,100
Loans and Advances by Provincial Governments	277,684	...	277,684	689,800	...	689,800	525,600	...	525,600
Net .		...	0		...	242,100		..	100,300
Payments to Railway Companies on Capital Account—									
For discharge of Debentures . .	...	205,500		...	2,700		...	1,774,200	
For Expenditure .	3,099,703	1,760,084		2,611,700	1,704,500		1,965,700	1,463,600	
Total .	3,099,703	1,965,584	5,065,287	2,611,700	1,707,200	4,318,900	1,965,700	3,237,800	5,203,500
Net .		...	1,383,891	...	...	1,933,800	...		518,700
Remittances—									
Inland Money Orders .	17,451,694	...		18,000,000	...		18,333,400	...	
Other Local Remittances	...	...		1,303,200	...		836,600	...	
Other Departmental Accounts . . .	470,629	...		443,500	...		320,100	...	
Net Payments into Civil Treasuries by—									
Post Office . .	145,407	...		262,500	...		160,000	...	
Telegraph . .	18,148	...		66,400	...		30,500	...	
Guaranteed Railways	2,441,343	...		2,157,900	...		1,296,800	...	
Public Works .	540,368	...		...	...		782,900	...	
Net Issues from Civil Treasuries to—									
Post Office . .	...	...		...	...		...	...	
Marine . . .	144,267	...		575,100	...		208,200	...	
Military . . .	10,788,907	...		10,470,500	...		10,800,700	...	
Public Works . .	...	...		85,100	...		...	...	
Remittance Account between England and India—									
Railway transactions	...	891,454		1,010,200	1,356,900		2,251,700	1,881,700	
Other „	277,166	475,327		1,233,600	2,530,500		406,700	492,400	
Total .	32,277,929	1,366,781	33,644,710	35,608,000	3,887,400	39,495,400	35,427,600	2,374,100	37,801,700
Net .		...	0	...		725,800			0
Secretary of State's Bills paid	18,883,879	...	18,883,879	18,775,500	...	18,775,500	16,309,800	...	16,309,800
Total Disbursements .	128,131,557	29,789,887		130,495,400	29,239,800		128,269,100	34,196,800	
Closing Balance .	11,177,669	3,145,768		8,821,369	2,223,668		9,066,869	2,021,568	
GRAND TOTAL .	139,309,226	32,935,655		139,316,769	31,463,468		137,335,969	36,218,368	

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

D.—*Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Settlements.*

Provincial and Local Balances.

NOTE.—These balances do not include the Balances of Deposits and Advances upon Local Fund Accounts.

	India.	Central Provinces.	Burma.	Assam.	Bengal.	N.-W. P. and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at ₹15 = £1
Accounts, 1898-99.	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	£
Balance at end of 1897-98 . .	1,13,277	3,58,414	59,12,538	8,86,817	29,05,058	8,63,593	19,87,753	44,56,361	36,60,563	2,11,44,374	1,409,625
Added in 1898-99	1,762	1,99,296	41,53,413	8,60,037	22,21,229	38,94,641	12,83,014	11,64,251	8,95,861	1,46,73,504	978,234
Balance at end of 1898-99 . .	1,15,039	5,57,710	1,00,65,951	17,46,854	51,26,287	47,58,234	32,70,767	56,20,612	45,56,424	3,58,17,878	2,387,859
Revised Estimate, 1899-1900.											
Balance at end of 1898-99 (by Accounts).	1,15,039	5,57,710	1,00,65,951	17,46,854	51,26,287	47,58,234	32,70,767	56,20,612	45,56,424	3,58,17,878	2,387,859
Added in 1899-1900 . .	...	...	24,02,000	...	7,12,000	5,91,000	...	...	...	37,05,000	247,000
Spent in 1899-1900	14,000	3,08,000	...	8,27,000	...	...	22,24,000	11,12,000	22,05,000	66,90,000	446,000
Balance at end of 1899-1900 .	1,01,039	2,49,710	1,24,67,951	9,19,854	58,38,287	53,49,234	10,46,767	45,08,612	23,51,424	3,28,32,878	2,188,859
Budget Estimate, 1900-1901.											
Balance at end of 1899-1900 (by Revised Estimate) . .	1,01,039	2,49,710	1,24,67,951	9,19,854	58,38,287	53,49,234	10,46,767	45,08,612	23,51,424	3,28,32,878	2,188,859
pent in 1900-1901	15,000	1,49,000	29,14,000	3,21,000	9,73,000	15,75,000	3,57,000	16,97,000	2,58,000	82,59,000	550,600
alance at end of 1900-1901 .	86,039	1,00,710	95,53,951	5,98,854	48,65,287	37,74,234	6,89,767	28,11,612	20,93,424	2,45,73,878	1,638,259

W. H. DOBBIE,
eputy Comptroller General.

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

FORT WILLIAM,
CE AND COMMERCE DEPARTMENT;
The 21st March 1900.

E.—*Statement of Net Revenue and Expenditure—India and England.*

Part I.—Income.

REVENUE.	Accounts, 1898-99.		Revised Estimate, 1899-1900.		Budget Estimate, 1900-1901	
	£	£	£	£	£	£
I.—Land Revenue, etc.:						
1. Land Revenue	18,266,769		17,206,300		18,014,300	
2. Forest	1,236,910		1,240,900		1,185,500	
3. Tributes from Native States	604,408		617,000		618,100	
	20,108,087		19,064,200		19,847,900	
Deduct,—						
Assignments	*744,016*		*763,900*		*764,500*	
NET	—	19,364,071	—	18,300,300	—	19,083,400
II.—Opium, Net Receipts	2,233,699		2,671,700		2,787,800	
Deduct,—						
Assignments	*3,391*		*3,400*		*3,400*	
NET	—	2,230,308	—	2,668,300	—	2,784,400
III.—Taxation:						
1. Salt	6,041,280		5,859,300		5,822,600	
2. Stamps	3,161,672		3,191,900		3,230,100	
3. Excise	3,809,739		3,840,200		3,800,600	
4. Provincial Rates	2,609,663		2,509,500		2,608,800	
5. Customs	3,138,803		3,090,000		3,073,600	
6. Assessed Taxes	1,274,020		1,295,300		1,297,300	
7. Registration	293,175		280,700		292,700	
	20,328,352		20,067,000		20,125,700	
Deduct,—						
Assignments	*266,013*		*297,400*		*284,600*	
NET	—	20,062,339	—	19,769,600	—	19,841,100
IV.—Miscellaneous Receipts (*i.e.*, Mint, Exchange and Miscellaneous)	—	222,899	—	303,300	—	342,600
		41,879,617		41,041,500		42,051,500
Excess of Expenditure over Income		—		—		—
	—	41,879,617		41,041,500		42,051,500

Part II.—Expenditure.

CHARGES.	Accounts, 1898-99.		Revised Estimate, 1899-1900.		Budget Estimate, 1900-1901.	
	£	£	£	£	£	£
I.—Debt Services	—	1,311,263	—	1,349,900	—	1,334,500
II.—Military Services:						
1. Army	15,385,042		14,339,000		15,554,600	
2. Military Works	771,493		821,000		745,600	
3. Special Defence Works	974		200		—	
TOTAL	—	16,157,509	—	15,160,200	—	16,300,200
III.—Collection of Revenue:						
1. Land Revenue, including District Administration	2,703,038		2,749,600		2,873,900	
2. Forest	660,478		745,500		751,900	
3. Other Heads	938,933		981,600		1,016,700	
TOTAL	—	4,302,449	—	4,476,700	—	4,642,500
V.—Commercial Services:						
Net Expenditure—						
Railway	620,165		8,400		485,400	
Telegraph	...		...		7,300	
	620,165		8,400		492,700	
Deduct—Net Receipts—						
Irrigation	179,760		173,400		105,800	
Post Office	125,919		112,400		72,800	
Telegraph	36,115		99,100		...	
	341,794		384,900		178,600	
NET	—	278,371	—	—376,500	—	314,100
V.—Civil Services:						
1. Civil Departments	9,335,813		9,606,900		9,912,100	
2. Miscellaneous Civil Charges	3,411,739		3,527,200		3,511,600	
3. Famine Relief and Insurance	791,543		2,072,900		3,368,300	
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	968		2,400		85,200	
5. Civil Works	2,670,855		2,868,000		2,973,300	
	16,210,918		18,077,400		19,850,500	
Add or Deduct,—						
Provincial Surplus or Deficit	978,234		—199,000		—550,600	
TOTAL	—	17,189,152	—	17,878,400	—	19,299,900
		39,238,744		38,488,700		41,891,200
Excess of Income over Expenditure		2,640,873		2,552,800		160,300
		41,879,617		41,041,500		42,051,500

W. H. DOBBIE,
Deputy Comptroller General.

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
The 21st March 1900.

APPENDIX II.

Memorandum by the Hon'ble Major-General Sir Edwin Collen, K.C.I.E., C.B., on Military, Military Works, and Marine Expenditure for the years 1899-1900 and 1900-1901.

The estimates with which the Military and Marine Department of the Government of India is concerned, are the following:—

I—Indian Military Estimates.
II—Home (India) Military Estimates.
III—Military Works Estimates.
IV—Marine Estimates.

2. They will be dealt with in the order given above, but I shall preface the detailed explanation of these estimates with some general remarks on the causes which lead to increased military expenditure under the first two heads, in the coming year, and shall make a short statement in connection with the work of the military administration during the year 1899-1900.

3. Taking the Indian and the Home (India) Military estimates together, the expenditure for the year 1900-1901 is estimated to exceed the amount provided in the budget for 1899-1900 by ₹59,74,500 (£398,300). This figure, however, does not give the true increase to military expenditure in the coming year, as compared with the provision in the budget of the current year. To arrive at the true figure, abnormal causes of variation must be eliminated. In the first place, the large increase, amounting to ₹47,00,000 (£313,333), which has been provided in the budget for next year, to meet the expected rise in the cost of food supplies for men and animals, must be thrown out. Again, the savings amounting to ₹42,00,000 (£280,000) which will accrue owing to the absence of the troops lent for service in South Africa, and in the Mauritius, Singapur, and Ceylon, must be taken into consideration.

Eliminating both these items, the increase comes to ₹54,74,500 (£365,000). On the other hand, if a comparison be made between the budget of the coming year and the revised estimate of 1899-1900, it will be found (in this case taking the gross figures) that the increase is ₹1,84,00,000 (£1,229,200). To arrive at a correct comparison, so far as increased military expenditure is concerned, the abnormal items affecting this figure must also be eliminated. The result will be to show an increase in military expenditure in the budget of next year, as compared with the normal expenditure of the current year in accordance with the revised estimate (Home and Indian together) of ₹1,12,00,000 (£746,000). The increase in military expenditure is due to the provision for rearmament, increase of officers, transport, and other matters.

4. For some years past it has been evident that many improvements would be necessary, if the Army of India was to maintain its high standard of efficiency. Various proposals have been made, many of which have been thoroughly discussed, reported on by committees, and generally threshed out, while some of them have been the subject of correspondence between the Government of India and Her Majesty's Government. But except for war expenditure, or expenditure that was patent to every one as urgently necessary, such as the increase of pay to the Native Army, it has been impossible to obtain the money required for large improvements or changes, owing to the great financial difficulties caused by the depreciation of the gold value of the rupee and by famine, war, and plague. Thus in 1896, on the military side, we had to restrict expenditure in consequence of famine, and in 1897-98 we had the war expenditure to face, besides that which was entailed later on in connection with the garrison and defence of the frontier.

5. Last year the Government of India came to the conclusion that some of these projects of improvement were so pressing that they should be taken in hand, and an endeavour made to find the required funds. Notwithstanding the heavy expenditure to be met next year on account of famine, the stability of exchange and other beneficial causes have allowed a considerable extra expenditure for military purposes, although we have had to postpone many items, large and small, which might have found a place in the estimates had it not been for the visitation of famine. It was therefore decided, with the concurrence of Her Majesty's Government, to provide for

those measures which were considered to be the most important. We grouped the requirements under the following heads :—

First—Proposals necessitated by improvement in arms and ammunition ;
Secondly—Proposals for improving manufacturing establishments ;
Thirdly—Proposals for improvement of the organisation of the army in India ;
Fourthly—Proposals for improvements of transport and commissariat arrangements.

6. In each of these groups there were several entries, and a selection had to be made. The most important measure proposed, in the *first* group or indeed in any group, is the rearmament of the native army and of the volunteer forces with the magazine rifle. The total cost of rearming the native army is calculated at ₹1,36,92,377. The rearmament of the volunteers will cost ₹15,44,085. The rearmament of the whole of the native army will take several years to complete, taking into consideration the probable funds likely to be available annually. We have provided for the rearmament of the field army this year. It must be recollected that there also will be considerable extra recurring expenditure for ammunition. The provision of apparatus for the manufacture of lyddite and for filling shells with this explosive, so that we may be independent of England in this respect, the rearmament of mountain batteries with the new 10-pounder B.-L. gun, ₹90,000, and the provision of mountings for Maxim guns to be made up in India, have all been included. After prolonged trials I hope that a satisfactory mounting for Maxim guns has been obtained for use with pack transport.

7. The *second* group includes proposals, alluded to by me in previous years, for improvement in the manufacturing establishments. The first is the institution of a cordite factory and the second is the establishment of a central gun-carriage factory. We have received the approval of the Secretary of State for the cordite factory, a suitable site has been selected, and we have provided in the Military Works estimates for a portion of the cost of the buildings. When this factory is in working order it will give us a saving of about ₹4,00,000 a year in comparison with the trade price at home. Only preliminary arrangements have been made in respect to the central gun-carriage factory.

8. In the *third* group, embracing matters connected with the organisation of the army, one of the first and most important is the addition of officers to the Native Army. This also I have alluded to in past years. A step has been made, and we have provided in the estimates for an increase of 92 officers. This number is made up by the addition of one officer to each battalion of native infantry in the Punjab and Bengal Commands, and a further increase of 28 officers in order to institute a general reform, *viz.*, the discontinuance of the present practice of appointing fresh officers to regiments in the place of absentees. In future two officers will be added permanently to the establishment of all native cavalry and infantry regiments, to provide for absences on furlough, etc. One of the advantages of this plan is that regimental establishments will be more permanent than heretofore. The cost of this addition of 92 officers will be ₹4,00,000 in the coming year.

9. The next proposal in this group is the reorganisation of horse, field, and mountain batteries in India, and the conversion of the existing heavy batteries into howitzer batteries. After the experience gained in 1897 we were confirmed in the opinion that the existing method of mobilising artillery in this country was defective. The question was considered by a committee, and they submitted proposals with the object of increasing the efficiency of batteries and ammunition columns, and of rendering them capable of being more rapidly mobilised. The proposals include the raising of another native mountain battery. The re-organisation of the heavy field batteries and converting them from four batteries of four guns each, drawn by elephants and bullocks, to two howitzer batteries of six guns each, we discussed last year, and it was agreed that, instead of four of these batteries of four pieces each, it would be better to have two more powerful howitzer batteries with horses for draught, and an additional mountain battery. Events have shewn that these heavy batteries should be more mobile and have a more powerful armament. The net results of these proposals would, if completely carried out, be an initial expenditure of about 12½ lakhs and an annual expenditure of 7½ lakhs, but for next year we have taken in the estimates a sum of ₹10,58,640.

10. The fourth group includes the various proposals which we have had under consideration for improving matters connected with the Commissariat-Transport Department. This is also a subject to which I have alluded on previous occasions. With regard to the permanent re-organisation of the transport, all that can be said is that it is one involving large expenditure and great consideration. Connected with that are proposals for the increase of the Supply Branch of the Commissariat-

Transport Department, for the appointment of probationers, for the improvement of the Indian ambulance system, and the creation of a reserve of transport drivers. In this group also is the purchase of 2,000 mules in addition to the present complement. We have entered a certain sum provisionally in the estimates to meet charges on account of these measures. I may also mention that a system of time-promotion in the Commissariat-Transport Department has been adopted, which, although involving some increase of expenditure, will we trust prove more satisfactory than the present system.

11. In addition to the measures which can be placed in these groups we have provided for a certain amount of military light railway, and also for experiments with war balloons. Some of the foregoing items are only provisionally provided for, subject to the sanction of the Secretary of State to the detailed proposals. The total sum provided in the estimates of next year for all these measures comes to about ₹90,00,000.

12. Although we have not yet established a new permanent transport organisation, a great deal has been done in the past year to improve our transport according to our existing means. A system of collection of transport has been prepared, the numbers of animals to be produced from the various districts have been assigned, and in conjunction with the civil authorities, an endeavour has been made to arrive at an improved knowledge of the transport districts, and to provide for a better method of collection. We have also arranged for the organisation of our existing transport into self-contained units, *i.e.*, into corps and cadres, the latter of which can be filled up when an emergency occurs, and we have laid down an organisation for the numbers of transport animals which have to be purchased or hired on every considerable expedition. The concessions to be granted to owners of hired transport and hired attendants have been defined and published. This may sound an easy matter, but it involves the consideration of an immense number of details. We have also been arranging for special grants of land to camel owners on the Chenab canal so as to obtain, we hope, a large number of camels when required. Further, the Secretary of State's sanction has been obtained to the establishment of a reserve of drivers and artificers. We have provided for the reorganisation of the siege-train bullocks and for the redistribution of bullock transport in India. The equipment required to complete transport corps, supply trains, etc., has been detailed, and is provided for partly this year and partly in next year's estimates. The question of our reserves of mule saddles, gear, and equipment generally, has received consideration, and it is satisfactory to know that we have sufficient, with a large amount of manufacturing power behind.

13. During the financial year which is now coming to a close, India has been afflicted by famine and plague, but we have not had to send any expeditions into the field, with the exception of the small Mishmi expedition in the north-east of Assam. But famine and plague have both, although not in the same degree, affected the army. The rise in prices has increased our estimates and of course affects the Native Army; while with regard to plague we have been able to supply a large number of officers and men for work and it has affected military movements. Last September we despatched a small force to South Africa, and had the satisfaction of receiving the acknowledgments of Her Majesty's Government for the promptitude with which the force was equipped and sent off. Up to the beginning of this month we had sent over 8,000 officers and men, over 3,000 natives for non-combatant services, 6,700 horses, about 1,600 mules and ponies, and the necessary field hospitals and other equipments.

14. We have been able to assist the War Office in other ways during the South African campaign, and the possession of reserves and manufacturing power for army equipments have enabled us to meet their requirements. The army clothing department have turned out or have under supply 100,000 warm coats, 40,000 havresacks, 5,000 pairs jack spurs, 40,000 suits of khaki, and 45,000 helmets; the army boot factory at Cawnpore 70,000 pairs of boots; the harness and saddlery factory at Cawnpore made up and issued 2,650 sets of mounted infantry saddlery, of which 1,800 were completed in a fortnight and the remaining 1,050 at intervals of a few days, and we have also sent a large quantity of veterinary stores. The native cavalry of India, the Imperial service troops, and the splendid liberality of a number of Native States have enabled us to send 2,450 horses for mounted infantry work; the commissariat-transport department have collected and despatched one transport corps composed of 460 mule drivers and artificers, and 2,000 equipped bhistis. I should also mention the liberality of Khan Bahadur Dhanjibhoy of Rawal Pindi, who has presented a completely fitted train of twenty-five ambulance tongas; of Rai Bahadur Boota Singh, also of Rawal Pindi, who has given a number of tents for hospital purposes; and of several other Indian firms, who have come forward with gifts of various descriptions for the troops in South Africa.

15. On the frontier considerable saving has been effected by the withdrawal of a battalion of native infantry from Chitral and it is also contemplated to withdraw

troops from certain advanced posts on the frontier as soon as the militia or police corps which are to be located at these posts have been organized. The troops have been withdrawn from Landi Kotal, and that post has been handed over to the Khyber Rifles. By the withdrawal of troops from other frontier outposts and in Burma, considerable economy will be effected; defensive works on the frontier have been steadily proceeded with, and we hope they will be completed in the coming financial year. An important redistribution of commands—long-needed, but delayed from various causes—which will greatly contribute to the efficiency of the army, will be effected on the North-West Frontier, will have effect from the 1st April, and certain reductions may be made in commands and staff in Burma. As regards the railways on the frontier, the Nowshera-Dargai line has been steadily progressing, and surveys made in other directions.

16. In what may be called our military domestic affairs, a good deal has been done. Continued attention has been paid to the all-important question of improving the health of the British troops in India and of checking the terrible ravages of enteric fever. With this object constant investigations have been conducted by Major Davies, Royal Army Medical Corps, and other special sanitary officers. The sanitation and water-supply of a number of cantonments have been carefully examined, and remedial measures are being pushed forward; further experiments have been made in the disposal of sewage, an officer has been specially deputed to study the question, drainage works have been extended, and inoculation for protection against typhoid is now allowed. In the same connection we are pursuing the policy of establishing dairies to supply the troops with milk and butter at places where no good supply by private enterprise exists; dairies have been opened at Lucknow, Cawnpore, Agra, and Belgaum, and others are contemplated. We are endeavouring to ensure continuous efficient management of these and of grass farms, by specially training officers and non-commissioned officers at the Allahabad farm, under the personal supervision of Captain Meagher, now Special Forage Officer for Bengal, a development of the training classes for non-commissioned officers and men which I mentioned last year. I shall not see the completion of this work, but our experimental combination of grass and dairy farms has been so far very successful, and I believe that if the work is persevered in, the whole of the forage for the mounted branches will be provided from these farms, and a large financial result will eventually be attained, besides advantages to the army in the supply of milk, dairy farm produce, and the fattening of slaughter-cattle.

17. I regret to say that the remount department has during the last year been overtaken by a serious catastrophe in the form of an outbreak of virulent glanders at the country-bred depôt at Hapur. The disease was imported into the depôt last spring. It has resulted in the loss of a number of valuable horses, and the supply of country-bred remounts to the army has necessarily been stopped through fear of spreading contagion. This is particularly unfortunate at the moment when the requirements of regiments sent to South Africa have occasioned an unusually large demand for remounts. This outbreak of glanders is not confined to our depôts. The disease has been virulent in several parts of Northern India, and the country-bred horse market has been injured by this and by the existing famine. We are making large purchases of Australian horses to replace those sent to South Africa. The supply of mules has fallen short of our requirements and we have been obliged to again resort to the costly expedient of purchasing outside India. The development of the mule supply in this country is receiving earnest attention.

18. The transfer of the direct control of the ordnance factories to the Director General of Ordnance has, I have reason to believe, already resulted in considerable saving owing to the facility afforded for regulating the supply of stores to meet the actual requirements of the service generally, for controlling demands for war material, and for comparing rates paid for labour and material in the different manufacturing establishments. The expansion of the manufacturing power of the ordnance factories has been and will continue to be a source of saving to Indian revenues. The factories in this country have been equipped with plant and skilled labour for the manufacture of all kinds of small arms, ammunition, fuzes and tubes, and almost all descriptions of projectiles likely to be required in India, and in addition are in a position to meet the requirements of steel in other departments. The gunpowder factory at Kirkee has been closed as we have the Ishapore Factory for the manufacture of black powder and large quantities of reserves. The question of our reserves of war material continues every year to engage attention, but I am satisfied that they are generally ample. We have been able to supply the War Office with tents, fuzes and tubes, ordnance stores of different kinds, signalling apparatus, etc.

19. Special commissioners have been employed in the investigation of the existing rules relating to compensation for dearness of food and forage, and other cognate matters, and we expect considerable economy to result from their labours. A committee has been examining the question of the supply of medical stores and equipments. Laborious work has been done in the direction of reducing returns and correspondence and in the curtailment of reports, although I cannot announce at this moment the actual results which will follow. Among miscellaneous items, I may mention that we have taken steps to improve the efficiency of coast defence lascars; native troops will be trained regimentally in army signalling; increased rates of wound pensions have been allowed to non-commissioned officers and men of the native army; increased rates of injury and family pensions or gratuities, for followers, to those who receive these by special award have been given; and the rates of the pensions of widows of warrant officers will be raised.

I shall now proceed to explain the details of the various estimates which I have to present. But before doing so, I must refer, however briefly, to the calamity which has overtaken the Government of India and the whole Army of India, by the death of the Commander-in-Chief, His Excellency General Sir William Lockhart. This is not the place to record his great services and distinguished career, but it is, I venture to think, eminently the occasion on which a colleague and friend may allude to the sorrow which is felt by all, and to the loss the Military Administration of this country has sustained, by the death of one whose every thought was for the efficiency and well-being of the Army.

I.—Indian Military Estimates.

Revised Estimates, 1899-1900.

20. The revised Indian Military Estimates for 1899-1900, compared with the Budget for the year, show a net saving of ₹63,33,000 caused by an increase in receipts of ₹11,28,000 and a decrease in expenditure of ₹52,05,000.

Comparison—
Revised for 1899-1900
and
Budget for 1899-1900.

21. The increase in receipts is chiefly due to credits on account of the value of animals and stores sent to South Africa, the cost of which is debitable to the Imperial Government.

22. The more important causes which have led to the decrease in expenditure are as under:—

(*a*) There is a decrease of ₹39,09,000 due to the despatch of the force to South Africa, India being relieved of all expenditure in connection therewith. This includes the saving on account of the two Madras Infantry battalions sent to Ceylon and Singapore.

(*b*) The actual strength of the Kohat-Kurram Force has been less than estimated for; and the Khyber Force was withdrawn earlier than anticipated. On the other hand, expenditure unprovided for has been incurred on account of the Mishmi expedition. The total decrease is ₹6,42,000.

(*c*) There is also a decrease of ₹3,89,000 on account of exchange compensation allowance, owing to exchange having been favourable during the year.

(*d*) Again, savings have accrued owing to the despatch of the 27th Madras Infantry to Mauritius, and to the transfer of the administration of the Somali Coast Protectorate to Her Majesty's Government. The employment of officers on plague duty has also the effect of relieving these estimates.

(*e*) Changes made in the sanctioned programme of reliefs, owing to the war in South Africa, scarcity and plague, have resulted in a saving of ₹2,20,000.

(*f*) In addition to the foregoing, the following are the chief causes which have contributed towards reducing expenditure:—

(*i*) Under Grant 3 (*Regimental Pay, Allowances and Charges*) there are savings to the extent of ₹4,00,000 owing to ordinary fluctuation.

(*ii*) Under Grant 4 (*Commissariat Establishments, Supplies and Services*) savings aggregating ₹2,60,000 are due to smaller purchases of malt-liquor owing to decreased consumption; and there is a considerable saving in connection with Commissariat-Transport.

(*iii*) Under Grant 5 (*Remount and Veterinary Establishments, Supplies and Services*) there are savings amounting to ₹3,80,000 due to the absence of officers on furlough and to smaller native establishments; to smaller purchases of young stock; and to a

more favourable rate of exchange for converting the fixed price of Australian horses bought.

(*iv*) Under Grant 9 (*Medical Establishments, Supplies and Services*) the savings aggregate ₹4,13,000 due to various causes.

23. On the other hand, there have been increases in expenditure, the more important of which are the following:—

(*a*) High prices of food supplies for men and animals owing to scarcity (₹10,00,000).

(*b*) Larger payments of messing allowance to British soldiers in consequence of Army Order No. 78 of 1899 having been extended to India under which soldiers enlisted before 1st April 1898, who have not yet elected to draw messing allowance, can do so at any time; to arrival in India of drafts who were in receipt of the allowance; and to arrears, with effect from 1st June 1898, to men electing the new rules on or before 31st March 1899 (₹9,85,000).

(*c*) Cost of chartering two vessels as transports to convey details to England (₹4,10,000).

(*d*) Cost of equipment required to complete transport corps, supply trains, etc. (₹1,22,000).

Estimates, 1900-1901.

24. The estimates for 1900-1901, in the net, amount to ₹16,33,55,000, or ₹23,98,000 more than the budget for 1899-1900. This is due to an increase in receipts of ₹17,45,000 and an increase in expenditure of ₹41,43,000.

Comparison—
Budget for 1899-1900 and Estimate for 1900-1901.

25. In comparing the estimates of next year with the budget for the current year, it will be found that the increase in *receipts* is mainly due to credit having been taken for the value of horses forming the peace complement of units that have been despatched to South Africa, debits on account of which will be raised against the Imperial Government.

26. The more important causes of the increase in *expenditure* are the following:—

(*a*) The rise in prices of food supplies for men and animals; an increase of ₹47,30,000 is anticipated.

(*b*) The proposed purchase of additional horses to replace those sent to South Africa, ₹22,00,000.

(*c*) The purchase and maintenance of 2,000 additional mules, ₹9,10,000.

(*d*) For the improvement of commissariat-transport arrangements the sum of ₹9,01,000 has been provided.

(*e*) Messing allowance charges are likely to exceed the current year's provision to the extent of ₹6,63,000 as a larger number of British soldiers are now drawing the allowance, and those enlisted before the 1st April 1898 can elect to draw it at any time.

(*f*) A provision of ₹5,64,000 is made for improvements in the organisation of the artillery, and of ₹4,94,000 for the conversion of heavy into howitzer batteries.

(*g*) The sanctioned addition of 92 officers to the Staff Corps accounts for an increase of ₹4,00,000.

(*h*) Rupees 3,81,000 is provided for the ·303-inch ammunition to be supplied to the Native army as a part of the scheme of re-armament.

27. Among other causes of increased expenditure the following may be mentioned:—

The alteration in the establishments of Native army reservists in the four commands (₹1,39,000); the maintenance of transport animals surplus to the ordinary complement to provide for garrison at present retained on the frontier (₹2,43,000); the new scheme for promotion of officers of the Commissariat-Transport Department (₹1,00,000); the annual reliefs next year are anticipated to cause additional expenditure to the extent of ₹2,56,000; the purchase of mules from abroad for ordinary requirements (₹1,70,000); the equipment required to complete the transport corps, etc. (₹1,27,000); ₹99,000 is provided for the formation of a reserve of mule-drivers and artificers; larger provision (₹1,87,000) under the grant for Ordnance, due chiefly to increased purchase of hides for the Harness and Saddlery Factory, Cawnpore.

28. The foregoing increases in expenditure will, however, be partly counterbalanced by certain decreases, the more important of which are the following:—

(*a*) In consequence of the anticipated absence for half the financial year of British troops on service in South Africa, ₹38,50,000.

(*b*) Smaller provision to the extent of ₹29,11,000 in connection with military operations and special services.

(*c*) Saving in the Indian estimates in consequence of three Madras infantry regiments sent to Mauritius, Ceylon, and Singapore, the full cost of which is borne by Her Majesty's Government, ₹6,40,000.

(*d*) Owing to a more favourable rate of exchange having been adopted, charges on account of exchange compensation allowance next year are expected to be smaller, ₹3,35,000.

(*e*) ₹2,59,000 more than last year has been deducted from the Indian estimate in adjustment of excess provision in the home estimates.

29. A statement is appended showing the net amounts under each of the grants for effective and non-effective services, and for military operations:—

	Strength.	
	1900-1901.	1899-1900.
British Army	63,384*	71,495
Native Army	137,871†	142,237‡
Total	201,255	214,732

* Exclusive of 9,108 men absent in South Africa and left at depôts in India.

† Exclusive of 2,785 men absent in South Africa, Ceylon and Singapore, 1,570 men stationed at Mauritius, and 192 men on the Somali coast.

‡ Exclusive of 784 men stationed at Mauritius.

Grants.	—	Net estimates.		Difference on net estimates.		Remarks.
		1900-1901.	1899-1900.	Increase.	Decrease.	
	Effective Services.	₹	₹	₹	₹	
1	Army and Garrison Staff	54,40,680	54,12,900	27,780	...	
2	Administrative Staff	20,43,900	20,55,420	...	11,520	
3	Regimental Pay, Allowances and Charges	7,85,74,210	8,09,81,420	...	24,07,210	
4	Commissariat Establishments, Supplies and Services	4,02,85,060	3,38,24,300	64,60,760	...	
5	Remount and Veterinary Establishments, Supplies and Services	43,66,630	34,44,110	9,22,520	...	
6	Clothing Establishments, Supplies and Services	17,56,330	20,78,940	...	3,22,610	
7	Barrack Establishments, Supplies and Services	20,24,500	24,38,080	...	4,13,580	
8	Administration of Martial Law	4,26,000	4,29,050	...	2,450	
9	Medical Establishments, Supplies and Services	74,99,000	74,30,780	68,220	...	
10	Ordnance Establishments, Stores and Camp Equipage	75,79,130	70,93,730	4,85,400	...	
11	Ecclesiastical	3,29,940	3,30,320	...	380	
12	Education	4,60,450	4,69,260	...	8,810	
13	Sea Transport Charges	5,79,760	5,72,220	7,540	...	
14	Miscellaneous Services	15,30,270	46,88,470	...	21,58,200	
15	Volunteer Corps	20,70,920	20,25,640	45,280	...	
	Total Effective Services, ₹	15,49,67,380	15,22,74,640	80,17,500	53,24,760	
	Non-Effective Services.					
16	Rewards for Military Services	1,09,230	1,62,280	...	53,050	
17	Military Pensions to Europeans	9,57,810	9,83,640	...	25,830	
18	Military Pensions to Natives	71,59,090	70,93,040	66,050	...	
19	Widows' Pensions and Compassionate Allowances	—5,22,950*	—5,87,890*	...	—64,940	
20	Departmental Pensions	6,48,440	6,42,250	6,190	...	
	Total Non-Effective Services, Rs.	83,51,620	82,93,320	72,240	13,940	
	Military Operations Rs.	36,000	3,89,040	...	3,53,040	
	Grand Total Rs.	16,33,55,000	16,09,57,000	80,89,740	56,91,740	
		Net Increase		Rs. 23,98,000		

* The bulk of subscriptions of officers to Indian Military Service Family Pensions is received in India, while most of the expenditure is incurred at home. The receipts in India, therefore, exceed the expenditure in India, and hence, as the figures in the above statement are *net*, there must be a minus entry.

II.—Home (India) Military Estimates.

Revised Estimates, 1899-1900.

Comparison—Revised for 1899-1900 and Budget for 1899-1900.

30. The second of the estimates with which the Military Department is concerned is the Home estimate for army effective and non-effective charges. The Home Budget estimates for 1899-1900 provided for a gross expenditure of £4,493,100, while in the Revised Estimates provision has been made to the extent of £4,101,700 or £391,400 less than the Budget Estimate.

31. This saving of £391,400 in the Revised, as compared with the Budget, Estimate for 1899-1900, is chiefly due to less charges for furlough allowances of officers of the Indian Service, and for furlough allowances and pay, during the voyage, of British forces serving in India; to smaller charges anticipated under "Indian Troop Service" owing to the curtailment of Indian reliefs in consequence of the despatch of troops to South Africa; to decrease in the payments for stores; and to less charges for pay and pensions of non-effective and retired officers of the Indian Service. These decreases are, however, partly counterbalanced by arrear payments in respect of the year 1898-99 to the War Office on account of the British Forces serving in India; by £16,200 having been included in the Revised Estimate on account of the purchase of mules; and by increased charges for the pay and expenses of military officers studying the Russian language.

32. The net figures of the Revised Estimate show a saving of £395,000 on those of the Budget Estimate for 1899-1900, due to a decrease in expenditure of £391,400 as explained above, and an increase in receipts of £3,600.

Estimates, 1900-1901.

Comparison—Budget for 1899-1900 and Estimate for 1900-1901.

33. The receipts and expenditure for 1900-1901 are as follows :—

	Receipts.	Expenditure.	Net expenditure.
	£	£	£
Effective	25,000	2,280,400	2,255,400
Non-effective	18,500	2,427,300	2,408,800
Total	43,500	4,707,700	4,664,200

34. Compared with the budget for 1899-1900, smaller receipts to the extent of £23,900 are anticipated in 1900-1901. The total gross expenditure for 1900-1901 is higher by £214,600 than the amount provided in the budget for the preceding year. This amount is more than accounted for by the increased provision for ordnance stores. The increase in expenditure is partly counterbalanced by smaller provision on account of pay and pensions of non-effective and retired officers of the Indian Service, as the payments on this account appeared to be decreasing, and the budget for 1899-1900 was too high.

35. The gross charges on account of effective services include payments to the War Office in respect of the British forces serving in India, amounting, as estimated in the coming year, to £700,000, as against £730,000 in the estimates for 1899-1900, owing to an expected refund next year in consequence of a portion of these forces being in South Africa at present. The other items included in the gross effective charges are furlough allowances and pay during the voyage of British forces serving in India (£108,000); furlough allowances of officers of the Indian Service (£230,000); Indian Troop Service (£250,000 net); passage of officers and troops otherwise than in transports (£19,000); miscellaneous (£22,000); and stores for India (£951,400).

36. The gross charges on account of non-effective services are made up of the retired pay, etc., of the British forces for service in India (£569,000); pay of the non-effective Colonels of Royal Artillery (£24,300); pay and pensions of non-effective and retired officers of the Indian Service (£1,710,000); miscellaneous pensions, etc. (£90,000), and the Indian Military Service Family Pensions (£34,000).

37. The net expenditure for 1900-1901 is more by £238,500 than that for the preceding year; and, as explained above, this is due to a decrease of £23,900 in receipts and an increase of £214,600 in gross expenditure.

38. The figures of actual expenditure in 1898-99, of the *budget* and *revised estimates* for 1899-1900 and of the *estimate* for 1900-1901, are given below in detail for convenience of comparison:—

	Accounts, 1898-99.	Budget Estimate, 1899-1900.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
EFFECTIVE.	£	£	£	£
Payments to War Office in respect of British Forces serving in India	764,400	730,000	739,400	700,000
Furlough Allowances and Pay during voyage of British Forces serving in India	107,875	108,000	104,000	108,000
Furlough Allowances of officers of the Indian Service	203,833	230,000	220,000	230,000
Indian Troop Service	276,556	260,600	135,800	250,000
Passage of officers and troops otherwise than in transports	10,997	19,000	17,000	19,000
Miscellaneous	18,816	19,000	38,700	22,000
Stores for India	537,748	629,700	423,800	951,400
TOTAL	1,920,225	1,996,300	1,678,700	2,280,400
NON-EFFECTIVE.				
Payments to War Office for Retired Pay, etc., of British Forces for service in India	527,523	554,000	556,900	569,000
Pay of non-effective Colonels of Royal Artillery	24,300	24,800	24,600	24,300
Pay and pensions of non-effective and retired officers of the Indian Service	1,756,045	1,800,000	1,725,000	1,710,000
Miscellaneous pensions, etc.	83,732	86,000	84,500	90,000
Indian Military Service Family Pensions	30,079	32,000	32,000	34,000
TOTAL	2,421,679	2,496,800	2,423,000	2,427,300
Total Effective and Non-Effective	4,341,904	4,493,100	4,101,700	4,707,700

III.—Military Works Estimates.

39. Excluding English expenditure and exchange, the budget estimate for 1899-1900 amounted to ₹1,29,96,000; the revised estimate of expenditure amounted to ₹1,23,26,000. There has, therefore, been less expenditure in India of ₹6,70,000 which is due to the transfer of funds to England to meet additional expenditure on English stores, and the transfer of about ₹80,000 to the military estimates. The lapses on grants for works will be inconsiderable.

40. The budget estimate for 1900-1901, excluding English expenditure and exchange, amounts to ₹1,15,09,000, or ₹14,87,000 less than that of 1899-1900. The difference is due to no special grant being allowed for defence works on the North-West Frontier, as it was decided, owing to the great calls for famine expenditure, to reduce the ordinary Military Works grant so as to provide for any expenditure that may be necessary for the completion of frontier works.

41. The heads of the Military Works Estimate are in round figures—

	₹
For original works, including those in progress and those to be commenced	43,98,400
„ repairs	33,21,300
„ establishment and tools and plant	29,01,700
„ Barrack Department establishment, supplies and tools and plant	7,71,600

42. Provision amounting to ₹4,47,000 is made for expenditure on fourteen water-supply projects, ₹1,95,700 for coast and inland fortifications, ₹10,00,000 for works on the North-West Frontier, and ₹3,00,000 for renewals. The remaining provision is for hospitals, barracks, and drainage works, and for Ordnance, Commissariat, Remount, and Marine Department requirements. Excluding renewals, provision is

made for 91 new works, of which 52 are in progress and 39 are to be commenced. A sum of ₹5,33,500 is provided for Minor Works costing less than ₹2,500 each.

43. The new organisation for the performance of Military Works Services was brought into effect on the 1st October 1899.

IV.—Marine Estimates.

44. During the latter half of the year 44 hired transports have been chartered and fitted up by the Royal Indian Marine on behalf of Her Majesty's Government for the conveyance to South Africa of 8,260 British officers, non-commissioned officers and men, 3,373 natives, 8,318 horses, mules, and ponies, besides field and other guns, ambulance tongas, etc. The arrangements, which imposed a heavy strain on the Dockyard resources of Bombay and Calcutta, were carried through with great promptitude and rendered feasible the expeditious despatch of the Indian contingent. The Government of India have expressed their entire satisfaction with the arrangements made and their acknowledgment of the services rendered by the Royal Indian Marine on this occasion under the supervision of Captain Goodridge, the Director, and of the Deputy Director at Calcutta, Captain Gwyn, whose extended tenure of the post has just expired.

45. A tender of £198,000 has been accepted for the construction in England of a new vessel, the *Hardinge*, to replace the *Warren Hastings* which was wrecked in 1897. It is expected that the new vessel will be delivered in India about January 1901.

46. The vessels of the Royal Indian Marine have been employed on the usual trooping service, but on account of the war in South Africa the Indian troop service transports were withdrawn from the Indian relief service after performing three outward and three homeward voyages. It has therefore been necessary to make special arrangements for sending home invalids, time-expired men, women, and children.

Revised Estimates, 1899-1900.

47. The net total of the Budget Estimate of the Royal Indian Marine for 1899-1900 was ₹13,70,000, the Revised Estimate stands at ₹9,22,000, showing a decrease of ₹4,48,000. This decrease is caused by excess receipts amounting to ₹2,92,000, and a reduction in expenditure to the extent of ₹1,56,000.

Comparison—
Revised for 1899-1900
and
Budget for 1899-1900.

48. The excess under receipts is chiefly due to large recoveries from the Home Government in connection with the employment of Royal Indian Marine vessels on Imperial service.

49. The decrease in expenditure is chiefly due to larger deductions on account of stores supplied, and work done in connection with the fitting of transports for South Africa, and to reduced expenditure on repairs and on coal for Her Majesty's ships of war in Indian seas, and on victualling establishments employed afloat.

50. The increase in expenditure is principally due to the payment of heavy arrears of exchange compensation allowance, and other matters.

51. Taking the increase against the decrease, there is a net decrease of ₹1,56,000, and adding these figures to the increased receipts, ₹2,92,000, the result is a decrease of ₹4,48,000 in the Revised as compared with the Budget Estimate.

Estimates, 1900-1901.

52. The net total of the Marine Estimate for 1900-1901 is ₹14,20,000 against ₹13,70,000, the total of the budget for 1899-1900, showing an increase of ₹50,000. This increase is caused by a decrease in receipts, amounting to ₹32,000, chiefly due to smaller anticipated recoveries in connection with the employment of Royal Indian Marine vessels on Imperial service, and by increased expenditure to the extent of ₹18,000.

Comparison—
Budget for 1899-1900
and
Estimate for 1900-1901.

CALCUTTA;
The 21st March 1900.

EDWIN H. H. COLLEN, *Major-General.*

APPENDIX III.

Memorandum by the Honourable Sir Arthur Trevor, K.C.S.I.

It has been customary since the establishment, under the Viceroyalty of Lord Elgin, of what is known as the Annual Railway Conference at Simla, for the Public Works Member of Council to append to the Financial statement for the year a memorandum designed to place the public in possession of the results of the Simla Conference so far as they appeared to be of public interest.

2. At the Conference held in August last, however, at which His Excellency Lord Curzon presided, it was determined to make certain changes, the object of which, stated shortly, was to remedy the somewhat formal and bureaucratic character which the deliberations of the Conference had assumed without sacrificing the assistance which a comprehensive annual survey of railway projects was calculated to afford in securing steady and fairly distributed progress in railway construction and avoidance of a policy of drift or caprice.

3. These changes were:—

I.—That for a construction programme limited to triennial periods and starting afresh at the end of each such period should be substituted a continuous programme, subject to annual revision, so as always to include the current and next two following years, and thus to be always two years ahead, the amount to be entered for the third year being arrived at in consultation with the Finance Department.

II.—That a Travelling Commission should be constituted as a tentative measure to conduct public enquiries at places where problems in which local interests are acutely involved may call for decision.

III.—That a catalogue of Railway projects, with summaries of their histories and information collected in connection with them, and of the views of the Government of India as to the manner in which they should be dealt with, should be prepared, kept up to date and published annually for the information of persons interested.

4. With the two first of these changes we are not here immediately concerned. The effect given to the last, in the issue of a compilation, entitled "Histories of Railway Projects", brought up to the date of the last Conference and now in the hands of the public, has superseded the necessity for a statement of the nature which has hitherto been customary. This compilation furnishes information in regard to all projects which have not been either (1) finally rejected or (2) included in the Railway programme for the years 1900-1901 to 1902-1903, and it is only in regard to the details of the Railway programme, and the modifications it has undergone, that the general information given under the appropriate heads of the General Financial statement still needs to be supplemented.

5. The programme in its latest shape is given in Statement A appended to this memorandum, and shows the demands for which place has been found in the three years ending 1902-1903 on the basis of an estimated expenditure of ₹7,30,84,000 in 1900-1901 and of a minimum of 6½ crores in each of the next two years.

There are three projects noted on the margin which were included in the original programme, but which it has since been found necessary to strike out under pressure of the unprecedented demands on the Government balances arising from the famine, and consequent difficulties attending the provision of ways and means for anything more than the obligatory needs of open lines and works in progress.

Godra-Baroda Chord.
Dhulia-Amalner.
Condia-Jabalpur.

A fourth line, the Sakri-Jainagar branch of the Tirhoot State railway, has been omitted for the same reason. But proposals have been made for the financing of this line by the Bengal and North-Western Railway Board, which will, it is hoped, admit of its being constructed with no great delay independently of the programme.

If the Financial position improves, it may be found possible to supplement the minimum allotments of 6½ crores on which the programme for 1901-1902 and 1902-1903 has been provisionally based, and to apply the additional funds thus provided either to the acceleration of progress on the lines under construction or to the restoration of some or all of the new projects which have been struck out to a place in the programme, and to their commencement during 1902-1903, if not earlier.

6. The usual summary of Railway Progress will be found this year in Statement B, and in Statement C is given a list of railways on which earthwork has been commenced for Famine Relief purposes.

7. The capital expenditure on railways falling within the categories now included in the programme for the ten years from 1891-92 to 1900-1901 is shown below:—

Lakhs of rupees.

	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
Capital expenditure on open lines.	185	108	120	184	167	240	179	221	359	266
On construction of new lines .	262	472	392	390	421	654	691	661	569	464
TOTAL .	447	580	512	574	588	894	870	882	928	730
Miles opened or to be opened during the year.	456	390	346	346	575	657	186	1,059	468	673

8. The earnings of railways during the current official year have been exceptionally favourable, and it is anticipated that the total earnings will exceed the estimate framed at the beginning of the year by about ₹1,24,00,000. This improvement is the result of a large traffic in grain owing to the famine, of a substantial addition to the open mileage, of the movement of troops in connection with the war in South Africa, and of a brisk coal trade. Of the railways which contribute to the increase, the East Indian Railway stands first with the large increase of ₹60,00,000, while the Rajputana-Malwa, Bengal-Nagpur, Oudh and Rohilkhand, Indian Midland and Bombay, Baroda and Central India railways shew increases of ₹40,00,000, ₹16,00,000, ₹12,00,000, ₹11,50,000 and ₹9,00,000, respectively, and certain other lines small increases which aggregate about ₹26,50,000. This improvement has been reduced to the extent of about ₹51,50,000, owing principally to a decline of ₹29,50,000 in the earnings of the Great Indian Peninsula railway, which is attributed to the failure of the cotton and grain crops, and of ₹13,00,000 on the North Western railway owing to a falling off in military traffic and a smaller export of grain to England. It is anticipated that the earnings this year are likely to exceed those of last year by nearly two crores of rupees.

9. There is one other point to which it may be useful to draw attention. The loss on the direct Railway Account, that is the amount by which the net earnings fall short of the interest charges which have to be met, including strategic railways and loss arising from the special exchange provisions of the older Railway Contracts, has been reduced from 2 crores 66 lakhs in 1896-97 to 1 crore 43 lakhs in 1897-98, 93 lakhs in 1898-99 and 74 lakhs, according to the Budget, and 1¼ lakhs according to the revised estimate for the year now closing. The improvement in the Revised as compared with the Budget figures for the year is, of course, due to some extent to causes which are abnormal, and it is probable that some of the ground which has apparently been gained may be lost in the coming year, the estimates for which show a deficit of nearly 73 lakhs. But the figures given show a diminishing tendency in the yearly deficit, which is at least encouraging.

CALCUTTA;
The 21st March 1900.

A. C. TREVOR.

STATEMENT A IN APPENDIX III.

STATEMENT

OF

FORECAST OF CAPITAL EXPENDITURE ON RAILWAYS, 1900-1901 TO 1902-1903,

INCLUDING ALL OPEN LINES,

All lines under, or accepted for immediate construction, and branch lines under firm guarantee.

Branch lines under Rebate terms are excluded.

Statement of Forecast of Capital Expenditure

(OMIT

No.	Railway.	Length.	Amount of estimate or approximate cost.	Outlay to the end of 1898-1899.	Grants allotted for 1899-1900.	Further outlay to be incurred in subsequent years.
	I.—FROM IMPERIAL FUNDS.	Miles.	₹	₹	₹	₹
	(i)—By State Agency.					
	Open Lines.					
1	Eastern Bengal	...	...	...	29,00	...
2	Oudh and Rohilkhand	...	...	...	12,40	...
3	North Western	...	...	...	24,60	...
4	East Coast (including Bezwada-Madras)	...	...	...	9,12	...
	Stores, etc.	...	...	...	—14,06	...
	Total Open Lines	...	...	...	61,06	...
	Lines under Construction.					
5	Nowshera-Dargai	40	14,87	...	9,14	5,73
6	Allahabad-Fyzabad	100	1,50,00	...	...	1,50,0
7	Eastern Bengal—Rungpore-Dhubri	51	45,44	18	6,50	38,76
8	East Coast, Godavari Bridge	...	59,70	32,05	21,83	5,82
9	Mari-Attock	80	1,57,25	1,52,17	2,00	3,08
10	Kotri-Rohri, Indus Bridge	...	30,68	27,16	2,52	1,00
11	Bhatinda-Ferozepore conversion to 5′ 6″ gauge	55	9,64	9,09	55	...
12	Rungpore-Dhubri, Teesta Bridge	...	15,75	5,06	8,15	2,54
13	Cooch Behar-Santrabari, British Section	20	6,86	3,85	2,00	1,01
14	Rajbari-Faridpore Branch, Eastern Bengal Railway.	14	13,60	7,91	—20	5,89
15	Shadipali-Balotra, British section	75	31,51	9,97	10,04	11,50
16	Agra-Delhi Chord	121	90,76	62	1,00	89,14
17	Ghaziabad-Moradabad	87	82,30	19,53	36,55	26,22
18	Lyallpur-Khanewal	105	34,48	21,97	8,51	4,00
	Total Lines under Construction	748	7,42,84	2,89,56	1,08,59	3,44,69
	Total I (i)—By State Agency	748	7,42,84	2,89,56	1,69,65	3,44,69

on Railways—1900-1901 to 1902-1903.

TING 000.)

PROPOSED DISTRIBUTION OF GRANTS DURING—			Total 1900-1901 to 1902-1903.	Balance to be provided for in subsequent years.	No.	REMARKS.
1900-1901.	1901-1902.	1902-1903.				
₹		₹	₹	₹		
33,56	40,00	30,00	1,03,56	...	1	
7,13	10,00	10,00	27,13	...	2	
28,15	20,00	20,00	68,15	...	3	
8,00	10,00	10,00	28,00	...	4	
—12,90	...	10,00	—2,90	...	...	
63,94	80,00	80,00	2,23,94	...	...	
5,73	...	...	5,73	...	5	
...	20,00	50,00	70,00	80,00	6	New project.
20,00	20,00	...	40,00	...	7	
6,00	...	...	6,00	...	8	
4,00	...	...	4,00	...	9	
1,00	...	...	1,00	...	10	
...	...	...	...	...	11	
4,00	...	...	4,00	...	12	
...	...	...	...	...	13	
...	...	...	...	...	14	
10,00	1,50	...	11,50	...	15	
...	30,00	50,00	80,00	9,14	16	New project.
22,75	5,00	...	27,75	...	17	
4,00	...	...	4,00	...	18	
77,48	76,50	1,00,00	2,53,98	89,14	...	
1,41,42	1,56,50	1,80,00	4,77,92	89,14	...	

Statement of Forecast of Capital Expenditure

(OMIT

No.	Railway.	Length.	Amount of estimate or approximate cost.	Outlay to the end of 1898-1899.	Grants allotted for 1899-1900.	Further outlay to be incurred in subsequent years.
	I.—FROM IMPERIAL FUNDS—*contd.*	Miles.	₹	₹	₹	₹
	Brought forward	748	7,42,84	2,89,56	1,69,65	3,44,69
	(ii)—By the Agency of Main Line Companies.					
	Open Lines.					
19	East Indian	...	...	...	1,63,00	...
20	Rajputana-Malwa	...	...	...	17,45	...
21	Tirhoot	...	...	...	5,90	...
22	South Indian	...	...	...	3,25	...
23	Great Indian Peninsula	...	...	...	...	...
	Other Minor Railways	...	...	...	1,90	...
	Total Open Lines	...	...	...	1,91,50	...
	Lines under Construction.					
24	Tirhoot, Hajipore-Begum Sarai-Katihar Extension.	158	1,22,31	83,33	24,10	14,88
25	Assam-Bengal (i) Construction chargeable to Part II. / (ii) Land chargeable to Part I.	736	11,16,17*	8,00,21*	98,20	2,17,76
	Assam-Bengal (iii) Chittagong jetties	...	6,90	4,64	2,16	10
26	East Indian, Moghalsarai-Gya Extension	126	1,55,26	1,23,23	18,00	14,03
27	Ditto Dehree-Daltonganj	78	72,18	1,21	14,00	56,97
28	Ditto Shikhoabad-Farakhabad Branch	66	45,20	...	...	45,20
29	South Indian, Negapatam-Nagore Branch	5	2,39	64	1,75	...
30	Madura-Pamban	91	68,91	...	2,65	66,26
31	Tinnevelly-Quilon, British Section	45	24,28	...	3,28	21,00
	Total Lines under Construction	1,305	16,13,60	10,13,26	1,64,14	4,36,20
	Total I (ii)—By Main Line Companies	1,305	16,13,60	10,13,26	3,55,64	4,36,20
	Grand Total I—From Imperial Funds	2,053	23,56,44	13,02,82	5,25,29	7,80,89

* Includes ₹3,65,60,000 from Company's Funds.

on Railways—1900-1901 to 1902-1903—contd.
TING 000.)

PROPOSED DISTRIBUTION OF GRANTS DURING—			Total 1900-1901 to 1902-1903.	Balance to be provided for in subsequent years.	No.	REMARKS.
1900-1901.	1901-1902.	1902-1903.				
₹	₹	₹	₹	₹		
1,41,42	1,56,50	1,80,00	4,77,92	89,14	...	
1,00,20	1,00,00	1,00,00	3,00,20	...	19	
12,00	10,00	10,00	32,00	...	20	
18,00	10,00	10,00	38,00	...	21	
5,00	5,00	5,00	15,00	...	22	
9,04	...	...	9,04	...	23	
1,00	5,00	5,00	11,00	...	...	
1,45,24	1,30,00	1,30,00	4,05,24	...	...	
15,38	...	...	15,38	...	24	
*1,26,000	50,00	50,00	2,26,00	...	25 (i) & (ii)	
10	...	...	10	...	25 (iii)	
28,00	30,00	13,00	71,00	...	26, 27	
...	...	22,00	22,00	23,20	28	
...	...	...	...	...	29	
...	20,00	10,00	30,00	36,26	30	
8,00	13,00	...	21,00	...	31	
1,77,48	1,13,00	95,00	3,85,48	59,46	...	
3,22,72	2,43,00	2,25,00	7,90,72	59,46	...	
4,64,14	3,99,50	4,05,00	12,68,64	1,48,60	...	

* Includes a sum of ₹84,00,000 to be raised by the issue by the Company of debentures.

Statement of Forecast of Capital Expenditure

(OMIT

No.	Railway.	Length.	Amount of estimate or approximate cost.	Probable outlay to the end of 1898-99.	Grants allotted for 1899-1900.	Further outlay to be incurred in subsequent years.
		Miles.	₹	₹	₹	₹
	II.—Against the Capital Accounts of the 3 old Guaranteed Railway Companies.					
	Open Lines.					
32	Great Indian Peninsula	...	...	...	—4,21	
33	Madras	...	...	...	7,75	
34	Bombay, Baroda and Central India	...	...	...	51,81	
	Total Open Lines	...	...	...	55,35	
	Lines under Construction.					
35	Amalner-Jalgaon Branch, G. I. P. R.	71	78,24	21,56	33,00	23,68
36	Chalisgaon-Dhulia Branch, G. I. P. R.					
37	Calicut-Cannanore Branch, Madras Railway	64	76,73	5,84	12,51	58,38
	Total Lines under Construction	135	1,54,97	27,40	45,51	82,06
	Grand Total II.—Against the Capital Accounts of the 3 old Guaranteed Railway Companies.	135	1,54,97	27,40	1,00,86	82,06
	III.—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies.					
	Open Lines.					
38	Bengal Central	...	...	...	4,00	
39	Bengal-Nagpur	...	...	...	5,90	
40	Burma	...	...	...	12,82	
41	Indian Midland and G. I. P.	...	...	...	22,88	
42	Lucknow-Bareilly	...	...	...	69	
43	Southern Mahratta (including Mysore)	...	...	...	4,75	
	Total Open Lines	...	...	...	51,04	
	Carried over	...	...	...	51,04	

on Railways—1900-1901 to 1902-1903—contd.

TING 000.)

PROPOSED DISTRIBUTION OF GRANTS DURING—			Total 1900-1901 to 1902-1903.	Balance to be provided for in subsequent years.	No.	REMARKS.
1900-1901.	1901-1902.	1902-1903.				
₹	₹	₹	₹	₹		
5,28	...	...	5,28	...	32	
6,00	30,00	30,00	66,00	...	33	
10,00	20,00	20,00	50,00	...	34	
21,28	50,00	50,00	1,21,28	...		
3,68	8,00	12,00	23,68	...	35 36	
25,00	25,00	10,00	60,00	...	37	
28,68	33,00	22,00	83,68	...		
49,96	83,00	72,00	2,04,96	...		
2,50	2,00	2,00	6,50	...	38	
10,00	4,00	8,00	22,00	...	39	
7,00	3,00	5,00	15,00	...	40	
7,00	20,00	20,00	47,00	...	41	
3,74	3,00	3,00	9,74	..	42	
6,00	8,00	8,00	22,00	...	43	
36,24	40,00	46,00	1,22,24	...		
36,24	40,00	46,00	1,22,24	...		

Statement of Forecast of Capital Expenditure

(OMIT

No.	Railway.	Length.	Amount of estimate or approximate cost.	Outlay to the end of 1898-99.	Grants allotted for 1899-1900.	Further outlay to be incurred in subsequent years.
		Miles.	₹	₹	₹	₹
	III.—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies—*contd.*					
	Brought forward	...	...	...	51,04	...
	Lines under Construction.					
44	Bengal-Nagpur — Sini-Midnapore-Cuttack Calcutta.	361	8,14,22	5,33,69	1,71,10	1,20,84
45	Bengal-Nagpur — Raipur-Dhamtari	56	11,41			
46	Bengal-Nagpur — Midnapur-Jherria Extension	114	1,07,81	...	...	1,07,81
47	Burma — Mandalay-Kunlon; Meiktila-Myingyan; Sagaing-Monywa-Alon; Thonze-Henzada-Bassein Extension	477	4,79,90	1,39,56	65,18	2,75,16
	Total Lines under Construction	1,008	14,13,34	6,73,25	2,36,28	5,03,81
	Grand Total III.—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies.	1,008	14,13,34	6,73,25	2,87,32	5,03,81
	IV.—Against the Capital Accounts of Branch Line Companies which are in receipt of a firm Government Guarantee					
	Lines under Construction.					
48	Hardwar-Dehra	32	26,05	18,75	6,80	50
49	Brahmaputra-Sultanpore	60	26,44	14,44	8,00	4,00
	Grand Total IV.—Against the Capital Accounts of Branch Line Companies.	92	52,49	33,19	14,80	4,50

on Railways—1900-1901 to 1902-1903—continued.

TING 000.)

PROPOSED DISTRIBUTION OF GRANTS DURING—			Total 1900-1901 to 1902-1903.	Balance to be provided for in subsequent years.	No.	REMARKS.
1900-1901.	1901-1902.	1902-1903.				
R	R	R	R	R		
36,24	40,00	46,00	1,22,24	...		
95,00	30,00	...	1,25,00	...	44 45	
...	30,00	63,00	93,00	14,81	46	New project.
81,00	67,50	70,00	2,18,50	56,66	47	
1,76,00	1,27,50	1,33,00	4,36,50	71,47	...	
2,12,24	1,67,50	1,79,00	5,58,74	71,47	...	
50	...	...	50	...	48	
4,00	...	...	4,00	...	49	
4,50	...	...	4,50	...	...	

Statement of Forecast of Capital Expenditure
(OMIT

No.	Railway.			Length.	Amount of estimate or approximate cost.	Outlay to the end of 1898-99.	Grants allotted for 1899-1900.	Further outlay to be incurred in subsequent years.
				Miles.	₹	₹	₹	₹
	ABSTRACT.							
	I.—From Imperial Funds.	(i) By State Agency.	(*a*) Open Lines ...	...	...	...	61,06	...
			(*b*) Construction ...	748	7,42,84	2,89,56	1,08,59	3,44,69
			Total ...	748	7,42,84	2,89,56	1,69,65	3,44,69
		(ii) By the Agency of Main Line Companies.	(*a*) Open Lines ...	...	...	...	1,91,50	...
			(*b*) Construction ...	1,305	16,13,60	10,13,26	1,64,14	4,36,20
			Total ...	1,305	16,13,60	10,13,26	3,55,64	4,36,20
			TOTAL I ...	2,053	23,56,44	13,02,82	5,25,29	7,80,89
	II.—Against the Capital Accounts of the 3 old Guaranteed Railway Companies.		(*a*) Open Lines ...	...	...	...	55,35	...
			(*b*) Construction ...	1,35	1,54,97	27,40	45,51	82,06
			TOTAL II ...	1,35	1,54,97	27,40	1,00,86	82,06
	III.—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies.		(*a*) Open Lines ...	...	...	...	51,04	...
			(*b*) Construction ...	1,008	14,13,34	6,73,25	2,36,28	5,03,81
			TOTAL III ...	1,008	14,13,34	6,73,25	2,87,32	5,03,81
	IV.—Against the Capital Accounts of Branch Line Companies which are in receipt of a firm Government Guarantee.		(*a*) Open Lines ...	...	...	...	...	...
			(*b*) Construction ...	92	52,49	33,19	14,80	4,50
			TOTAL IV ...	92	52,49	33,19	14,80	4,50
	TOTAL, I to IV ...		(*a*) Open Lines ...	...	...	...	3,58,95	...
			(*b*) Construction ...	3,288	39,77,24	20,36,66	5,69,32	13,71,26
			GRAND TOTAL	3,288	39,77,24	20,36,66	9,28,27	13,71,26
				...	...	...	...	...

on Railways—1900-1901 to 1902-1903—concld.

TING 000.)

Proposed distribution of grants during—			Total 1900-1901 to 1902-1903.	Balance to be provided for in subsequent years.	No.	Remarks.
1900-1901.	1901-1902.	1902-1903.				
₹	₹	₹	₹	₹		
63,94	80,00	80,00	2,23,94	...	...	
77,48	76,50	1,00,00	2,53,98	89,14	...	
1,41,42	1,56,50	1,80,00	4,77,92	89,14	...	
1,45,24	1,30,00	1,30,00	4,05,24	...	...	
1,77,48	1,13,00	95,00	3,85,48	59,46	...	
3,22,72	2,43,00	2,25,00	7,90,72	59,46	...	
4,64,14	3,99,50	4,05,00	12,68,64	1,48,60	...	
21,28	50,00	50,00	1,21,28	...	...	
28,68	33,00	22,00	83,68	...	...	
49,96	83,00	72,00	2,04,96	...	...	
36,24	40,00	46,00	1,22,24	...	...	
1,76,00	1,27,50	1,33,00	4,36,50	71,47	...	
2,12,24	1,67,50	1,79,00	5,58,74	71,47	...	
...	...	...	...	...	...	
4,50	...	...	4,50	...	...	
4,50	...	...	4,50	...	...	
2,66,70	3,00,00	3,06,00	8,72,70	...	...	
4,64,14	3,50,00	3,50,00	11,64,14	2,20,07	...	
7,30,84	6,50,00	6,56,00	20,36,84	2,20,07	...	
...	...	...	...	...	...	

STATEMENT B IN APPENDIX III.

Memorandum on the construction of railways.

1. At the commencement of 1899-1900, *i.e.*, on the 1st April 1899, the total length of railways open for traffic was 22,499·05 miles, made up as follows:—

		Miles.	Miles.
(i)	East Indian	1,712·25	
	Bengal Central (*a*)	125·01	
	Bengal-Nágpur	1,184·41	
	Indian Midland	795·56	
	Bhopal-Itarsi (*British section*)	(*b*) 13·11	4,190·83
	Godhra-Ratlam-Nágdá	(*c*) 141·14	
	Wardha Coal	(*d*) 44·88	
	Dhond-Manmád	(*d*) 145·44	
	Bezwada extension (East Coast State)	(*e*) 20·53	
	Madras-Ennúr section (Bezwada-Madras)	(*f*) 8·45	
(ii)	North Western	(*g*) 2,917·64	
	Hyderabad-Shadinalli	(*h*) 58·91	
	Oudh and Rohilkhand	950·76	
	Eastern Bengal	262·98	4,893·54
	Calcutta Port Commissioners'	8·53	
	East Coast, including Bezwada-Madras	(*i*) 794·72	
(iii)	Great Indian Peninsula	1,288·60	
	Bombay, Baroda and Central India	460·90	2,588·13
	Madras	839·23	
(iv)	Delhi-Umballa-Kalka	(*j*) 162·24	
	Tarkeesur	(*j*) 22·23	
	Southern Punjab (*Delhi-Samásata*)	(*k*) 423·18	643·55
	Tápti Valley	(*c*) 35·91	
(v)	Khamgaon	(*d*) 7·55	
	Amraoti	(*d*) 5·44	
	Bina-Goona	(*b*) 71·74	
	Bhopal-Ujjain	(*b*) 113·52	
	Bhopal-Itarsi (*Native state section*)	(*b*) 44·28	630·33
	The Nizam's Guaranteed State	(*k*) 330·13	
	Nágdá-Ujjain	(*c*) 34·32	
	The Gaekwar's Petlád	(*c*) 13·35	
	Kolar Gold-fields	(*l*) 10·00	
(vi)	Rajpurá-Bhátinda	(*h*) 107·94	128·86
	Jammu and Kashmir (*Native state section*)	(*h*) 15·92	

		Miles.	Miles.
(vii)	Bengal and North-Western—		
	Tirhoot section	341·80	
	Company's section (*l*)	743·18	
	Lucknow-Bareilly section (Rohilkund and Kumaon)	231·17	
	Rajputana-Malwa	(*c*) 1,673·03	
	Pálanpur-Deesa	(*c*) 17·28	
	Southern Mahratta	1,042·04	6,887·30
	Guntakal-Mysore frontier	(*m*) 119·50	
	Mysore section (Southern Mahratta)	296·00	
	South Indian	1,017·88	
	Máyavaram-Mutupet	(*n*) 53·99	
	Assam-Bengal	414·45	
	Burma	936·08	
(viii)	Eastern Bengal—		
	Northern and Behar sections (*including the Kaunia-Dharila, 2′ 6″ gauge, branch*)	478·47	
	Dacca section	95·92	643·99
	Cawnpore-Burhwal (*Metre gauge link*)	(*i*) 79·60	
(ix)	Deoghur	4·79	
	Rohilkund-and Kumaon (*Company's section*)	53·92	
	Bengal Doors	36·40	
	Dibru-Sadiya	77·50	
	Ledo and Tikak-Margherita Colliery	(*o*) 7·50	285·86
	Ahmedabad-Parántij	(*c*) 54·59	
	Mymensingh-Jamalpur-Jagannathganj	(*s*) 33·07	
	Segowlie-Raxaul	(*u*) 18·09	
(x)	The Gaekwar's Mehsána	(*o*) 92·63	
	Kolhápur	(*m*) 29·07	
	Yesvantpur-Mysore frontier	(*m*) 51·35	188·30
	Mysore-Nanjangúd	(*m*) 15·25	
(xi)	Jodhpur-Bikaner	406·00	
	Udaipur-Chitor	60·86	
	Bhávnagar-Goudal-Junágad-Porbandar	(*p*) 333·84	
	Jetalsar-Rájkot	(*q*) 46·23	922·04
	Jámnagar	(*q*) & (*r*) 54·28	
	Dhrángadrá	(*q*) 20·83	
(xii)	West of India Portuguese	51·00	
	Pondicherry	(*s*) 7·80	73·25
	Káraikkal-Peralam	(*n*) 14·45	

		Miles.	Miles.
(xiii)	Cherra-Companyganj (2′ 6″)	8·00	
	Jorhát (2′ 0″)	28·50	36·50
(xiv)	Darjeeling-Himalayan (2′ 0″)	51·00	
	Bársi Light (2′ 6″)	21·75	
	Tárakeshwar-Magra (2′ 6″)	31·13	
	Tezpur-Balipara (2′ 6″)	20·10	172·21
	Howra-Amta (2′ 0″)	28·63	
	Howrah-Sheakhalla (2′ 0″)	19·62	
(xv)	The Gaekwar's Dabhoi (2′ 6″)	(*c*) 78·80	
	Rajpipla (2′ 6″)	(*c*) 23·98	102·78
(xvi)	Cooch Behar (2′ 6″)	(*s*) 22·23	
(xvii)	Morvi (2′ 6″)		94·36

		Miles.	Miles.
Standard gauge—			
(i)	State lines worked by companies		4,190·83
(ii)	State lines worked by the State		4,893·54
(iii)	Guaranteed companies		2,588·13
(iv)	Assisted companies		643·55
(v)	Lines owned by native states and worked by companies		630·33
(vi)	Lines owned by native states and worked by State railway agency		123·86
			13,070·24
Metre gauge—			
(vii)	State lines worked by companies		6,887·30
(viii)	State lines worked by the State		643·99
(ix)	Assisted companies		285·86
(x)	Lines owned by native states and worked by companies		188·30
(xi)	Lines owned and worked by native states		922·04
(xii)	Foreign lines		73·25
			9,000·74
Special gauges—			
(xiii)	State lines worked by the State		36·50
(xiv)	Assisted companies		172·21
(xv)	Lines owned by native states and worked by companies		102·78
(xvi)	Lines owned by native states and worked by State railway agency		22·22
(xvii)	Lines owned and worked by native states		94·36
			428·07
TOTAL			22,499·05

(*a*) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.
(*b*) Worked by the Indian Midland Railway Company.
(*c*) Worked by the Bombay, Baroda and Central India Railway Company.
(*d*) Worked by the Great Indian Peninsula Railway Company.
(*e*) Although forming an integral part of the East Coast State Railway, this line is shown separately as it is worked by the Nizam's Guaranteed State Railways Company.
(*f*) Worked by the Madras Railway Company.
(*g*) Including 6·12 miles of military line not used for public traffic, the Muskhaf-Bolán railway and the Kotri-Rohri chord line.
(*h*) Worked by the North-Western State Railway.
(*i*) Excluding the Bezwada extension, *vide* foot-note (*e*), but including 2·66 miles mixed-gauge and 0·33 mile metre-gauge.
Worked by the East Indian Railway Company.
(*k*) Including 2·19 miles, Trimulgherry troop siding, constructed but not used for ordinary public traffic.
(*l*) Although for convenience classed amongst State railways, this line is the property of the Bengal and North-Western Railway Company.
(*m*) Worked by the Southern Mahratta Railway Company.
(*n*) Worked by the South Indian Railway Company.
(*o*) Worked by the Assam Railways and Trading Company.
(*p*) Including 4·50 miles of Bhavnagar Dock estates and Junágad quarry lines.
(*q*) Worked by the Bhavnagar-Goudal-Junágad-Porbandar railway.
(*r*) Including 3·99 miles of Bedi-Bandar Dock estate sidings.
(*s*) Worked by the Eastern Bengal State Railway.
(*t*) Excluding 3·66 miles of the Lucknow-Bareilly railway between Daliganj and Aishbagh, but including the length, Bara Banki to Burhwal, 16·70 miles, and the length over Cawnpore bridge 0·53 miles laid on a mixed gauge.
(*u*) Worked by the Bengal and North-Western Railway Company.

2. And the mileage under construction or sanctioned for construction on the same date was 3,568·22 miles(*d*), as follows:—

		Miles.	Miles.
Standard gauge—			
(i)	State lines worked by companies	435·31	
(ii)	State lines worked by the State	294·80	
(iii)	Guaranteed companies	133·18	
(iv)	Assisted companies	232·01	
(v)	Lines owned by native states and worked by companies	73·63	
(vi)	Lines owned by native states and worked by State railway agency	80·32	
			1,249·25
Metre gauge—			
(vii)	State lines worked by companies	869·06	
(viii)	State lines worked by the State	73·93	
(ix)	Assisted companies	219·99	
(x)	Lines owned by native states and worked by companies	560·65	
(xi)	Lines owned and worked by native states	222·94	
			1,946·57
Special gauges—			
(xii)	State lines worked by companies	56·68	
(xiii)	State lines worked by the State	20·08	
(xiv)	Assisted companies	121·20	
(xv)	Lines owned by native states and worked by companies	162·44	
(xvi)	Lines owned by native states and worked by State railway agency	12·00	
			372·40
	TOTAL	(*d*)3,568·22	

There was thus a grand total of railways completed and in hand, on the 1st April 1899, of miles 26,067·27

		Miles.	Miles.	Miles.
(i)	East Indian—			
	Moghal Sarai to Gya		125·48	
	Shikohabad to Farukhabad		(*a*) 65·82	
	Barun to Daltongauj, including colliery branch		78·32	
	Bengal-Nagpur—			435·31
	Kolaghat to Howrah		36·53	
	Kharagpur to Midnapore		8·00	
	Agra-Delhi chord—			
	Agra to Delhi		(*a*) 121·16	
(ii)	North Western—			
	Campbellpore Cantonment to Basal (New Pind-Sultáni)	(*b*)80·00		
	Jand to Dandkhel		159·30	
	Lyallpur to Khanewal	105·00		
	Kotri to Hyderabad (Sind)	5·30		
	Oudh and Rohilkhand—			
	Ghaziabad to Moradabad		87·05	94·80
	Eastern Bengal—			
	Panchooria to the Ganges	5·50		
	Shivarampur to Faridpur	7·40	12·90	
	East Coast—			
	Godávari bridge at Rajahmundry and approaches		4·55	
(iii)	Great Indian Peninsula—			
	Amalner to Jalgaon		34·28	
	Chalisgaon to Dhulia		34·84	
	Madras—			138·18
	Calicut to Baliapatam		59·71	
	Walajah Road to Ranipet		4·35	
(iv)	Southern Punjab (*Delhi-Samárata*)—			
	Delhi Brewery to Delhi		0·79	
	Tápti Valley—			
	Vyara to Amalner		120·34	
	South Behar (*Luckeeserai-Gya*)—			282·01
	Luckeeserai to Gya		78·83	
	Hardwar-Dehra—			
	Hardwar to Dehra		32·05	
(v)	Bina-Goona—			
	Goona to Bá-án			73·62
(vi)	Ludhiána-Dhuri-Jakhal—			
	Ludhiána *vid* Dhuri to Jakhal			80·32
(vii)	Bengal and North-Western—			
	Tirhoot section—			
	Hajeepore to Bachhwara	44·25		
	Barauni to Katihar	116·75	161·00	
	Company's section—			
	From a point near Tulsipur to Tulsipur		1·00	
	Ganges-Gogra Doab lines—			
	Azamgarh to Shahganj		(*a*) 34·84	
	South Indian—			
	Negapatam to Nagore		4·49	869·06
	Assam-Bengal—			
	Badarpur to Lumding	113·14		
	Lumding to Lakwar	155·79	321·31	
	Lakwar to Makum	52·38		
	Burma—			
	Sèdaw to the right bank of the Salween river	217·72		
	Meiktila to Myingyan	57·70	346·42	
	Sagaing *vid* Monywa to Alon	71·00		
(viii)	Eastern Bengal—			
	Teesta bridge at Kaunia and approaches		4·87	
	Hyderabad (Sind)-Jodhpur frontier—			73·93
	Hyderabad to Jodhpur frontier		(*c*)69·06	
(ix)	Brahmaputra-Sultanpur—			
	Santahar to Kaliganj		59·70	
	Mymensingh-Jamálpur-Jagannathganj—			
	Singhjani to Jagannathganj		21·93	
	Bengal Dooars—			219·99
	Malbazar to Hantupara	45·66		
	Dam Dim to Bagrakote	6·76	121·55	
	Domohani to Lalmonir Hat	69·13		
	Nilgiri—			
	Méttupálaiyam to Coonoor		16·81	
(x)	Mysore-Nanjangúd—			
	Nanjangúd station to a point nearer Nanjangúd town		0·55	
	Birur-Shimoga—			
	Birur to Shimoga		37·97	
	Hyderabad-Gódávari Valley—			
	Secunderabad to Manmád		384·28	560·65
	Shoranur-Cochin—			
	Shoranur to Cochin		65·00	
	Jaipur—			
	Sanganer to Siwai-Madhopur		72·85	
(xi)	Jodhpur-Bikaner—			
	Jodhpur section—			
	Balotra to the Jodhpur frontier	135·00		
	Bikaner section—			
	Dulmera to Lankaransar	9·00	216·50	
	Lankaransar to Suratgarh	63·00		222·94
	Gigasar to Palana	9·50		
	Udaipur-Chitor—			
	Debari to Udaipur		6·44	
(xii)	Baipur-Dhamtari branch (Bengal-Nágpur) (2′ 6″)—			
	Baipur to Dhamtari		45·00	
	Abhanpur to Rajim		11·68	56·68
(xiii)	Eastern Bengal—			
	Cooch Behar-Santrabari extension (*British section*) (2′ 6″)—			
	Alipur-Duar to Jhainti			20·08
(xiv)	Bársi Light (2′ 6″)—			
	Bársi Road to Pandharpur		(*a*) 33·00	
	Kalka-Simla (2′ 0″)—			121·2
	Kalka to Simla		68·00	
	Ranaghat-Krishnagar (2′ 6″)		20·20	
(xv)	Rajpipla (2′ 6″)—			
	Umalla to Nandod		13·34	
	Rewah (2′ 6″)—			
	Rewah to Sutna		(*a*) 31·81	162·4
	Gwalior Light (2′ 0″)—			
	Gwalior to Sipri		72·96	
	Gwalior to Bhind		(*e*) 44·33	
(xvi)	Cooch Behar (2′ 6″)—			
	Cooch Behar town extension		0·50	
	Cooch Behar to Alipur Duar		11·50	12·00

(*a*) Commencement of work not yet authorized.
(*b*) The length between Basal (New Pind-Sultáni) and Jand, 16 miles, is a part of the open mileage of the Khushálgarh branch.
(*c*) The mileage given is exclusive of 55·09 miles of the existing Hyderabad-Shadipalli, standard gauge, railway to be converted to the metre gauge.
(*d*) Excluding the Bhátinda-Ferozepore conversion (54·59 miles).
(*e*) Excluding 5·00 miles of His Highness the Maharajah Scindia's private line.

		Miles.	Miles.	Miles.
(i)	East Indian— Sitarampore to Domohani	8·32	11·56	128·63
	Pandra branch of the Jherriah extension	3·24		
	Bengal Central— Dum Dum Cantonment to Pattipooker		2·68	
	Bengal-Nagpur Midnapore to Bujudih		114·39	
(ii)	North-Western— Peshawar to Jamrud			10·00
(iii)	Petlad-Cambay			20·78
(iv)	Bengal and North-Western— Tirhoot section— Sakri to Jainagar		30·47	355·47
	South Indian— Madura to Toni Torai	94·00	206·00	
	Mutunandal to Sivagunga	9·00		
	Tinnevelly to Quilon	103·00		
	Burma— Bassein *viâ* Henzada to Tharrawaddy		119·00	
(v)	Eastern Bengal— Moghalhat to Dhubri			(*a*) 38·83
(vi)	Vijapur-Kalol			29·60
(vii)	Jodhpur-Bikaner— Bikaner section— Suratgarh to Bhatinda			88·00
(viii)	North-Western— Nowshera-Dargai (2′ 6″)			39·60
(ix)	East Indian— Moghal Sarai to Gya		125·48	131·23
	Bengal-Nagpur— Khargpur to Cossye		5·75	
(x)	North-Western— Campbellpore Cantonment to Basal Jand to Daudkhel	(*b*)75·55	124·55	131·95
	Lyallpore to Toba Tek Singh	49·00		
	Eastern Bengal— Sivarampur to Faridpur		7·40	
(xi)	Great Indian Peninsula— Amalner to Jalgaon	(*b*) 34·01		38·39
	Madras— Walajah Road to Ranipet		4·35	
(xii)	Tapti Valley— Vyara to Amalner		120·34	231·22
	South Behar (Luckeeserai-Gya)— Luckeeserai to Gya		78·83	
	Hardwar-Dehra		32·05	
(xiii)	Bina-Goona-Bárán— Goona to Bárán			73·63
(xiv)	Bengal and North-Western— Tirhoot section— Baroni to Bihpur Thana		66·00	146·19
	South Indian— Negapatam to Nagore		4·49	
	Assam Bengal— Badarpur to Damchara		18·00	
	Burma— Meiktila to Myingan		57·70	
(xv)	Brahmaputra-Sultanpur— Santahar to Bogra		24·50	63·24
	Mymensingh-Jamalpur-Jagannathganj— Singhjani to Jagannathganj		21·93	
	Nilgiri— Mettupalaiyam to Coonoor		16·81	
(xvi)	Mysore-Nanjangud— Nanjangud station to a point nearer the town of Nanjangud		0·55	192·52
	Birur-Shimoga		37·97	
	Hyderabad-Godavari Valley— Manmad to Sailu		154·00	
(xvii)	Jodhpur-Bikaner— Jodhpur section— Balotra to Barmer	60·00	69·50	75·94
	Bikaner section— Girasar to Palana	9·50		
	Udaipur-Chitor— Debari to Udaipur		6·44	
(xviii)	Eastern Bengal— Cooch Behar-Santrabari extension (British section) (2′ 6″)— Alipur Duar to Jhainti			20·08
(xix)	Ranaghat-Krishnagar (2′ 0″)— Aishtolaghat to Krishnagar			20·20
(xx)	Rajpipla (2′ 6″)— Umalla to Nandod		13·34	138·63
	Gwalior Light (2′ 0″)— Gwalior to Sipri	72·96	125·29	
	Gwalior to Bhind	(*c*) 52·33		
(xxi)	Cooch Behar (2′ 6″)— Cooch Behar to Alipur Duar		11·50	12·00
	Cooch Behar town extension		0·50	

3. During 1899-1900, *i.e.*, from 1st April 1899 to 31st March 1900, 710·91 miles of new railway have been authorized as follows:—

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies	128·63	
(ii) State lines worked by the State	10·00	
(iii) Lines owned by native states and worked by companies	20·78	
		159·41
Metre gauge—		
(iv) State lines worked by companies	355·47	
(v) State lines worked by the State	38·83	
(vi) Lines owned by native states and worked by companies	29·60	
(vii) Lines owned and worked by native states	88·00	
		511·90
Special gauges—		
(viii) State lines worked by the State	39·60	
		39·60
TOTAL		710·91

And 1,275·22 miles have been or are likely to be opened to public traffic as follows:—

	Miles.	Miles.
Standard gauge—		
(ix) State lines worked by companies	131·23	
(x) State lines worked by the State	131·95	
(xi) Guaranteed companies	38·39	
(xii) Assisted companies	231·22	
(xiii) Lines owned by native states and worked by companies	73·63	
		606·42
Metre gauge—		
(xiv) State lines worked by companies	146·19	
(xv) Assisted companies	63·24	
(xvi) Lines owned by native states and worked by companies	192·52	
(xvii) Lines owned and worked by native states	75·94	
		477·89
Special gauges—		
(xviii) State lines worked by the State	20·08	
(xix) Assisted companies	20·20	
(xx) Lines owned by native states and worked by companies	138·63	
(xxi) Lines owned by native states and worked by State railway agency	12·00	
		190·91
TOTAL		(*d*) 1,275·22

(*a*) Excluding Kaunia-Moghalhat (2′ 6″) section, 12·23 miles, which is to be converted to the metre gauge.
(*b*) Correction of mileage.
(*c*) The mileage given is inclusive of 8·00 miles of His Highness the Maharaja Scindia's private line, opened for public traffic.
(*d*) Excluding the Bhatinda-Ferozepore conversion (54·59 miles), which was opened for traffic in June 1899.

4. The total length of open line at the commencement of 1900-1901, *i.e.*, on the 1st April 1900, will, therefore, be 23,780·20 miles, comprising :—

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies	4,312·58	
(ii) State lines worked by the State	5,032·03	
(iii) Guaranteed companies	2,626·52	
(iv) Assisted companies	874·77	
(v) Lines owned by native states and worked by companies	703·96	
(vi) Lines owned by native states and worked by State railway agency	123·86	
		13,672·72
Metre gauge—		
(vii) State lines worked by companies	7,043·36	
(viii) State lines worked by the State	643·99	
(ix) Assisted companies	349·10	
(x) Lines owned by native states and worked by companies	380·82	
(xi) Lines owned and worked by native states	997·98	
(xii) Foreign lines	73·25	
		9,488·50
Special gauges—		
(xiii) State lines worked by the State	56·58	
(xiv) Assisted companies	192·41	
(xv) Lines owned by native states and worked by companies	241·41	
(xvi) Lines owned by native states and worked by State railway agency	34·22	
(xvii) Lines owned and worked by native states	94·36	
		618·98
TOTAL		†23,780·20

		Miles.	Miles.
(i)	East Indian	1,833·01*	
	Bengal Central (*a*)	125·01	
	Bengal-Nágpur	1,190·16	
	Indian Midland	796·25*	
	Bhopal-Itársi (*British section*)	(*b*) 13·11	4,312·58
	Godhra-Ruthum-Nágdá	(*c*) 141·14	
	Wardha Coal	(*d*) 44·88	
	Dhond-Manmád	(*d*) 145·44	
	Bezwada extension (East Coast State)	(*e*) 20·58	
(ii)	North-Western	(*g*) 2,942·19	
	Hyderabad-Shadipalli	(*h*) 58·91	
	Oudh and Rohilkhand	950·78	5,032·03
	Eastern Bengal	270·38	
	Calcutta Port Commissioners'	8·53	
	East Coast, including Bezwada-Madras	(*i*)800·26*	
(iii)	Great Indian Peninsula	1,322·04	
	Bombay, Baroda and Central India	460·90	2,626·52
	Madras	843·58	
(iv)	Delhi-Umballa-Kalka	(*j*) 162·23	
	Tarkessur	(*j*) 22·23	
	Southern Punjab (*Delhi-Samásata*)	(*h*) 423·18	874·77
	Tápti Valley	(*c*) 156·25	
	South Behar (*Luckeeserai-Gya*)	(*j*) 78·83	
	Hardwar-Dehra	(*w*)32·05	
(v)	Khámgaon	(*d*) 7·55	
	Amráoti	(*d*) 5·44	
	Bina-Goona-Párán	(*b*) 145·37	
	Bhopal-Ujjain	(*b*)113·52	
	Bhopal-Itarsi (*Native State section*)	(*b*) 44·28	703·96
	The Nizam's Guaranteed State	(*k*) 330·13	
	Nágdá-Ujjain	(*c*) 34·32	
	The Gaekwar's Petlád	(*c*) 13·35	
	Kolar Gold-fields	(*f*) 10·00	
(vi)	Rájpura-Bhátinda	(*h*) 107·94	123·86
	Jammu and Kashmir (*Native State section*)	(*h*) 15·92	
(vii)	Bengal and North-Western—		
	Tirhoot section	407·80	
	Company's section (*l*)	743·18	
	Lucknow-Bareilly section (Rohilkund and Kumaon)	231·17	
	Rajputana-Malwa	(*c & v*)1,673·93	
	Pálanpur-Deesa	(*c*) 17·28	
	Southern Mahratta	1,042·04	7,043·36
	Guntakal-Mysore frontier	(*m*) 119·50	
	Mysore section (Southern Mahratta)	298·00	
	South Indian	1,030·53*	
	Máyavaram-Mutupet	(*n*) 53·99	
	Assam-Bengal	434·16*	
	Burma	993·78	
(viii)	Eastern Bengal—		
	Northern and Behar sections (*including the Kaunia-Dharlla, 2' 6" gauge, branch*)	478·47	643·99
	Dacca section	85·92	
	Cawnpore-Barhwal (*Metre-gauge link*)	(*t*) 79·60	
(ix)	Deoghur	4·79	
	Rohilkund and Kumaon (*Company's section*)	53·92	
	Bengal Dooars	36·40	
	Dibru-Sadiya	77·50	
	Ledo and Tikak-Margherita Colliery	(*o*) 7·50	349·10
	Ahmedabad-Parántij	(*c*) 54·59	
	Brahmaputra-Sultanpur	(*s*) 24·50	
	Mymensingh-Jamalpur-Jagannathganj	(*s*) 55·00	
	Segowlie-Kaxaul	(*u*) 18·00	
	Nilgiri	(*f*) 16·81	
(x)	The Gaekwar's Mehsána	(*c*) 92·63	
	Kolhápur	(*m*) 29·07	
	Yesvantpur-Mysore frontier	(*m*) 51·35	380·82
	Mysore-Nanjungúd	(*m*) 15·80	
	Birur-Shimoga	(*m*) 37·97	
	Hyderabad-Godavari Valley	(*x*) 154·00	
(xi)	Jodhpur-Bikaner	475·50	
	Udaipur-Chitor	67·30	
	Bhávnagar-Gondal-Junágad-Porbandar	(*p*) 333·84	997·98
	Jetalsar-Rájkot	(*q*) 46·23	
	Jámnagar	(*q & r*) 54·28	
	Dhrángadrá	(*q*) 20·83	
(xii)	West of India Portuguese	51·00	
	Pondicherry	(*n*) 7·80	73·25
	Káraikkal-Peralam	(*n*) 14·45	
(xiii)	Cherra-Companyganj (2' 6")	8·00	
	Jorhát (2' 0")	28·50	56·58
	Eastern Bengal (2' 6")	20·08	
(xiv)	Darjeeling-Himalayan (2' 0")	51·00	
	Bársi Light (2' 6")	21·75	
	Tárakeshwar-Magra (2' 6")	31·12	
	Tezpur-Bálipárá (2' 6")	20·10	192·41
	Howrah-Amta (2' 0")	28·62	
	Howrah-Sheakhálla (2' 0")	19·62	
	Ranaghat-Krishnagar (2' 6")	20·20	
(xv)	The Gaekwar's Dabhoi (2' 6")	(*c*) 78·80	
	Rajpipla (2' 6")	(*c*) 37·32	241·41
	Gwalior Light (2' 0")	(*b*)125·39	
(xvi)	Cooch Behar (2' 6")		(*z*) 34·22
(xvii)	Morvi (2' 6")		94·36

(*a*) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.
(*b*) Worked by the Indian Midland Railway Company.
(*c*) Worked by the Bombay, Baroda and Central India Railway Company.
(*d*) Worked by the Great Indian Peninsula Railway Company.
(*e*) Although forming an integral part of the East Coast State railway, this line is shown separately as it is worked by H. H. the Nizam's Guaranteed State Railways Company.
(*f*) Worked by the Madras Railway Company.
(*g*) Including 6·12 miles of military line not used for public traffic.
(*h*) Worked by the North Western State railway.
(*i*) Excluding the Bezwada extension, *vide* foot-note (*e*), but including 2·66 miles mixed gauge and 0·33 miles metre gauge. Includes also Madras-Ennúr section from 1st July 1899.
(*j*) Worked by the East Indian Railway Company.
(*k*) Including 2·19 miles, Trimulgherry troop siding, constructed but not used for ordinary public traffic.
(*l*) Although for convenience classed amongst State railways, this line is the property of the Bengal and North-Western Railway Company.
(*m*) Worked by the Southern Mahratta Railway Company.
(*n*) Worked by the South Indian Railway Company.
(*o*) Worked by the Assam Railways and Trading Company.
(*p*) Including 4·50 miles of Bhavnagar Dock estates and Junágad quarry lines.
(*q*) Worked by the Bhávnagar-Gondal-Junágad-Porbandar railway.
(*r*) Including 3·99 miles of Bedi Bandar Dock estate siding.
(*s*) Worked by the Eastern Bengal State railway
(*t*) Excluding 3·66 miles of the Lucknow-Bareilly railway between Daliganj and Aishbagh but including the length, Bara Banki to Burhwal, 16·70 miles, and the length over Cawnpore bridge, 0·59 miles, laid on a mixed gauge.
(*u*) Worked by the Bengal and North-Western Railway Company.
(*v*) Including 27·88 miles of standard gauge line between Ferozepore and Kot Kapura and 26·7 miles of both standard and metre gauges between Kot Kapura and Bhatinda, worked over by the North Western State railway.
(*w*) Worked by the Oudh and Rohilkhand state railway
(*x*) Worked by H. H. the Nizam's Guaranteed State Railways Company.

* Correction of mileage.

† Made up as follows :

Open at the commencement of 1899-1900	22,499·05
Add—Opened during 1899-1900	1,275·22
Add—Certain sidings of the south Indian railway opened for traffic during 1898-99 and 1899-1900	8·16
	23,782·43
Deduct—Decrease due to minor corrections of mileage	2·23
	23,780·20

		Miles.	Miles.	Miles.
(i)	East Indian—			
	Shikohabad to Farukhabad	(a)65·82	155·70	
	Bárun to Daltonganj	78·32		
	Sitarampore to Domohani	8·32		
	Pandra branch of Jherriah extension	3·24		
	Bengal Central—			432·71
	Dum-Dum Cantonment to Pattipooker		2·68	
	Benga Nágpur—			
	Kolaghat to Howrah	36·53		
	Cossye to Midnapore	2·25	153·17	
	Midnapore to Bujudih	(a)114·39		
	Agra-Delhi chord		(a)121·16	
(ii)	North Western—			
	Toba Tek Singh to Khanewal	(c)57·00	72·30	
	Kotri to Hyderabad	5·30		
	Peshawar to Jamrud	(a)10·00		
	Oudh and Rohilkhand—			169·40
	Ghazipad to Moradabad		87·05	
	Eastern Bengal			
	Panchooria to the Ganges		5·50	
	East Coast—			
	Godávari bridge		4·55	
(iii)	Great Indian Peninsula—			
	Chalisgaon to Dhulia		37·31	97·02
	Madras—			
	Calicut to Baliapatam		59·71	
(iv)	Southern Punjab (*Delhi-Samasata*)—			
	Delhi Brewery to Delhi			0·79
(v)	Petlad-Cambay			20·78
(vi)	Ludhiana-Dhuri-Jakhal			80·32
(vii)	Bengal and North-Western—			
	Tirhoot section—			
	Hajeepore to Bachhwara	44·25		
	Bihpur Thana to Katihar	50·75		
	Sakri to Jainagar	(a)30·47		
	Company's section—		161·31	
	From a point near Tulsipur to Tulsipur	1·00		
	Ganges-Gogra Doab lines—			
	Azamgarh to Shahganj	(a)34·84		
	South Indian—			1,078·34
	Madura to Toni Torai	94·00		
	Mutunandal to Sivaganga	9·00	206·00	
	Tinnevelly to Quilon	103·00		
	Assam-Bengal—			
	Damchara to Makum		303·31	
	Burma—			
	Sedaw to the right bank of the Salween river	217·72		
	Sagaing to Alon	71·00	407·72	
	Bassein *viâ* Henzada to Tharrawaddy	119·00		
(viii)	Eastern Bengal—			
	Tee-ta bridge at Kaunia	4·87		
	Moghalhat to Dhubri	(b)38·83	43·70	112·75
	Hyderabad (Sind)-Jodhpur frontier—			
	Shadipalli to Jodhpur frontier		69·06	
(ix)	Brahmaputra-Sultanpur—			
	Bogra to Kaliganj		35·20	
	Bengal Doors—			156·75
	Malbazar to Hantupara	45·66		
	Dam Dim to Bagrakote	6·76	121·55	
	Domohani to Lalmonir Hat	69·13		
(x)	Hyderabad-Godavari Valley—			
	Sailu to Secunderabad		230·28	
	Shoranur-Cochin		65·00	397·73
	Vijapur-Kalol		29·60	
	Jaipur—			
	Sánganer to Siwai-Madhopur		72·85	
(xi)	Jodhpur-Bikaner—			
	Jodhpur section—			
	Barmer to Jodhpur frontier		75·00	238·00
	Bikaner section—			
	Dulmera to Bhatinda		160·00	
(xii)	Raipur-Dhamtari branch (Bengal-Nágpur) (2′ 6″)—			
	Raipur to Dhamtari			(c)55·73
	Abhanpur to Rajim			
(xiii)	North-Western—			
	Nowshera to Dargai (2′ 6″)			39·60
(xiv)	Bársi Light (2′ 6″)—			
	Bársi Road to Pandharpur	(a)33·00		93·00
	Kalka-Simla	(c)60·00		
(xv)	Rewah—			
	Rewah to Sutna			(a)31·81

5. And the mileage under construction or sanctioned for construction on the 31st March 1900 will be 3,001·74 miles, made up as follows:—

		Miles.	Miles.
Standard gauge—			
(i)	State lines worked by companies	432·71	
(ii)	State lines worked by the State	169·40	
(iii)	Guaranteed companies	97·02	
(iv)	Assisted companies	0·79	
(v)	Lines owned by native states and worked by companies	20·78	
(vi)	Lines owned by native states and worked by State railway agency	80·32	
			801 02
Metre gauge—			
(vii)	State lines worked by companies	1,078·34	
(viii)	State lines worked by the State	112·76	
(ix)	Assisted companies	156·75	
(x)	Lines owned by native states and worked by companies	397·73	
(xi)	Lines owned and worked by native states	235·00	
			1,980·58
Special gauges—			
(xii)	State lines worked by companies	55·73	
(xiii)	State lines worked by the State	39·60	
(xiv)	Assisted companies	93·00	
(xv)	Lines owned by native states and worked by companies	31·81	
			220·1
	TOTAL		3,001·74

Making a grand total of railways completed and in hand at the commencement of 1900-1901 of miles . **26,781·94***

And showing, after allowing for corrections of mileage, an advance on the previous year of miles . **727·07**

(a) Commencement of work not yet authorized.
(b) Excluding 12·23 miles of the Kaunia-Moghalhat section, 2′ 6″ gauge, to be converted to the metre gauge.
(c) Correction of mileage.

* Made up as follows:

	Miles	Miles
Completed and in hand at the beginning of 1899-1900		26,067·27
Sanctioned during 1899-1900		719·91
Maharaja Scindia's private line opened for traffic		8·00
Certain sidings of the South Indian railway opened for traffic during 1898-99 and 1899-1900		8·16
		26,794·34
Deduct—		
Decrease due to correction of Mari Attock ry. mileage	4·45	12·45
" " " of Kalka-Simla ry. mileage	8·00	
		26,781·89
Add—		
Increase due to minor corrections of mileage		0·05
		26,781·94

6. It is expected that the following lengths of unfinished line will be opened for public traffic in 1900-1901 :—

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies	131·34	
(ii) State lines worked by the State	159·40	
(iii) Guaranteed companies	37·31	
(iv) Assisted companies	0·79	
(v) Lines owned by native states and worked by companies	20·78	
(vi) Lines owned by native states and worked by State railway agency	80·32	
		429·94
Metre gauge—		
(vii) State lines worked by companies	175·25	
(viii) State lines worked by the State	73·93	
(ix) Assisted companies	111·09	
(x) Lines owned by native states and worked by companies	230·28	
(xi) Lines owned and worked by native states	147·00	
		737·55
Special gauges—		
(xii) State lines worked by companies	55·73	
(xiii) State lines worked by the State	39·60	
		95·33
TOTAL		1,262·82

Leaving the undermentioned lines for completion in 1901-1902 or later:

Standard gauge—	Miles.	Miles.
(xiv) State lines worked by companies	301·37	
(xv) State lines worked by the State	10·00	
(xvi) Guaranteed companies	59·71	
		371·08
Metre gauge—		
(xvii) State lines worked by companies	903·09	
(xviii) State lines worked by the State	38·83	
(xix) Assisted companies	45·66	
(xx) Lines owned by native states and worked by companies	167·45	
(xxi) Lines owned and worked by native states	88·00	
		1,243·03
Special gauges—		
(xxii) Assisted companies	93·00	
(xxiii) Lines owned by native states and worked by companies	31·81	
		124·81
TOTAL		1,738·92

		Miles.	Miles.	Miles.
(i)	East Indian—			
	Barun to Daltonganj	78·32		
	Sitarampore to Domohani	8·32	89·88	
	Pandra branch of Jherriah extension	3·24		
	Bengal Central—			131·34
	Dum Dum Cantonment to Pattipooker		2·68	
	Bengal-Nagpur—			
	Kolaghat to Howrah	36·53		
	Cossye to Midnapore	2·25	38·78	
(ii)	North-Western—			
	Toba Tek Singh to Khanewal	57·00		
	Kotri to Hyderabad	5·30	62·30	
	Oudh and Rohilkhand—			
	Ghaziabad to Moradabad		87·05	159·40
	Eastern Bengal—			
	Panchooria to the Ganges		5·50	
	East Coast—			
	Godavari bridge		4·55	
(iii)	Great Indian Peninsula— Chalisgaon to Dhulia			37·31
(iv)	Southern Punjab (*Delhi-Samasata*)— Delhi Brewery to Delhi			0·79
(v)	Petlad-Cambay			20·78
(vi)	Ludhiana-Dhuri-Jakhal			80·32
(vii)	Bengal and North-Western—			
	Tirhoot Section—			
	Hajeepore to Bachhwara		44·25	
	Burma—			175·25
	Sedaw to Nammaw	60·00		
	Sagaing to Alon	71·00	131·00	
(viii)	Eastern Bengal—			
	Teesta bridge at Kaunia		4·87	
	Hyderabad (Sind)-Jodhpur frontier—			73·93
	Shadipalli to Jodhpur frontier		69·06	
(ix)	Brahmaputra-Sultanpur—			
	Bogra to Kaliganj		35·20	
	Bengal Doars—			111·09
	Dam-Dim to Bagrakote	6·76		
	Domohani to Lalmonir Hat	69·13	75·89	
(x)	Hyderabad-Godavari Valley— Sailu to Secunderabad			230·28
(xi)	Jodhpur-Bikaner—			
	Jodpur section—			
	Barmer to Jodhpur frontier		75·00	
	Bikaner section—			147·00
	Dulmera to Suratgarh		72·00	
(xii)	Raipur-Dhamtari branch (Bengal-Nagpur (2′ 6″)—			
	Raipur to Dhamtari			
	Abhanpur to Rajim			55·73
(xiii)	North Western— Nowshera to Dargai (2′ 6″)			39·60
(xiv)	East Indian—			
	Shikohabad to Farukhabad		(*a*) 65·82	
	Bengal-Nagpur—			301·37
	Midnapore to Bujudih		(*a*) 114·39	
	Agra-Delhi Chord		(*a*) 121·16	
(xv)	North Western— Peshawar to Jamrud			(*a*) 10·00
(xvi)	Madras— Calicut to Baliapatam			59·71
(xvii)	Bengal and North-Western—			
	Tirhoot section—			
	Bihpur Thana to Katihar	50·75		
	Sakri to Jainagar	(*a*) 30·47		
	Company's section—		117·06	
	From a point near Tulsipur to Tulsipur	1·00		
	Azamgarh to Shahganj	(*a*) 34·84		
	South Indian—			
	Madura to Toni-Tonai	94·00		
	Mutunandal to Sivaganga	9·00	206·00	903·09
	Tinnevelly to Quilon	103·00		
	Assam Bengal—			
	Damenara to Makum		303·31	
	Burma—			
	Nammaw to the right bank of the Salween river	157·72		
	Bassein *vid* Henzada to Tharrawaddy	119·00	276·72	
(xviii)	Eastern Bengal— Moghalhat to Dhubri			38·83
(xix)	Bengal Doars— Malbazar to Hantupara			45·66
(xx)	Shoranur-Cochin		65·00	
	Vijapur-Kalol		29·60	167·45
	Jaipur—			
	Sanganer to Siwai Madhopur		72·85	
(xxi)	Jodhpur-Bikaner—			
	Bikaner section—			
	Suratgarh to Bhatinda			88·00
(xxii)	Barsi Light—			
	Barsi Road to Pandharpur		(*a*) 33·00	
	Kalka-Simla—			93·00
	Kalka to Simla		60·00	
(xxiii)	Rewah—			
	Rewah to Sutna			(*a*) 31·81

(*a*) Commencement of work not yet authorized.

STATEMENT C IN APPENDIX III.

List of Railway Projects started as Famine Relief Works.

Name of project.	Length.	Cost.	Remarks.
	Miles.	Rs.	
Bombay Presidency.			
1. Sabarmati-Dholka (metre gauge)	33·46	13,07,966	
2. Gaekwar's Mehsana Railway Kheralu-Dhabora extension (metre gauge)	8	...	
3. Godhra-Baroda Chord and doubling (5′ 6″ gauge)	44	34,12,000	
4. Visnagar-Vijapur (metre gauge)	16	...	
5. Nadiad-Kapadvanj (5′ 6″ gauge)	28	8,73,360	
6. Viramgam (or Patan)—Radhanpur, Sami-Radhanpur section (metre gauge)	16	...	
7. Vel-chha-Kankarar-Kosamba	...	...	
8. Barsi Light Railway, Barsi Tadwala extension (2′ 6″ gauge)	28	11,09,350	
9. Jamnagar-Salaya	...	...	
10. Bahadarpur-Songhir (2′ 6″ gauge)	...	...	
11. Dholia-Vankaner-Rajkot (metre gauge)	52·76*	...	* Conversion of existing 2′ 6″ gauge railway to metre gauge by Thakur Sahib of Morvi.
12. Petlad-Cambay (5′ 6″ gauge)	20·78	11,07,200	Since undertaken as a Railway Project.
Central India.			
13. Gwalior-Sabalgarh (2′ 0″ gauge)	48	...	
North-Western Provinces and Oudh.			
14. Agra-Delhi Chord (5′ 6″ gauge)	121·16	90,76,346	Partly in Punjab.
15. Meerut-Gurmuktesar (5′ 6″ gauge)	29	17,61,000	
Punjab.			
16. Ludhiana-Dhuri-Jhakal (5′ 6″ gauge)	80	38,82,764	Since undertaken as a Railway Project.
17. Suratgarh-Bhatinda section (Bikanir-Bhatinda Railway) (metre gauge)	88	19,12,800	
18. Rewari-Phalera Chord (metre gauge)	131·17	51,18,277	
19. Madhopur-Sikar branch	32	...	
20. Jech-Bar (5′ 6″ gauge)	...	...	
Central Provinces.			
21. Jabalpur-Gondia (2′ 6″ gauge)	252·67	85,10,901	
22. Vizianagram-Raipur (5′ 6″ gauge)	310·62	2,50,42,336	Partly in Madras Presidency.
23. Bilaspur-Mungeli	...	...	
Ajmer-Merwara.			
24. Nasirabad-Kekri (metre gauge)	9	9,00,000	
25. Bara-Ajmer-Marwar (metre gauge)	213	1,33,00,533	From Bara *viâ* Shahpura to Marwar.
Berar.			
26. Akola-Basim-Khandwa (metre gauge)	150	1,00,00,000	Approximate cost.
27. Jalna-Khamgaon (2′ 6″ gauge)	77	...	

Note.—Where length and cost are not given the information is not available at present but surveys are being made.

		1891-92.	1892-93.	1893-94.
Recorded Revenue compared with the recorded expenditure, excluding Capital Expenditure on Public Works not charged against Revenue —				
Surplus	₹	46,75,350	...	...
Deficit	₹	...	83.34 120	1,54.69,980
Capital Expenditure on Public Works not charged against Revenue*	₹	3,50,00,000	3,98.62,900	3,62,12,520
Ditto charge involved in Redemption of Liabilities	£	...	...	...
Net Public Debt incurred		3,038,293	—376,405	4,043,311
Net Public Debt incurred, including Capital transactions with Guaranteed Railways and other Companies		1,891,901	315,875	3 331,845
Value of commodities exported, excluding Gold and Silver	₹	108,17,30,000	106,59,50,000	106 50,30,000
Ditto imported, ditto ditto	₹	69,43,20,000	66,26,50,000	77,02,10,000
Excess of Exports over Imports, excluding Gold and Silver	₹	38,74,10,000	40,33,00,000	29,48,20,000
Net Imports of Gold	₹	2,41,40,000	—2.81,30,000	64,10,000
Ditto of Silver	₹	9,02,20,000	12,86,40,000	13,72,00,000
TOTAL NET IMPORTS OF GOLD AND SILVER	₹	11,43,60,000	10,05,10,000	14,36,10,000
Excess of Exports over Imports, including Gold and Silver	₹	27.30,50,000	30.27.90,000	15,12,10,000
Grand Total value of Imports and Exports of all kinds	₹	195,61.50,000	196,82 90,000	206.08.60,000
Secretary of State's Bill sold (Rupees)	₹	23,78,28,115	26.47,84.151	15,72.36 031
Sterling Equivalent received	£	16,093.854	16,532,215	9,530 235
Silver coined at the Indian Mints	₹	5,55.39,700	12,61,15,280	4,90 24.990
Maximum price in pence of an oz. troy. standard Silver in London		46¾ (July)	41⅛ (June)	38¾ (June)
Minimum ditto ditto		39 (Mar)	37⅝ (Mar.)	27 (Mar.)
Average Exchange upon Secretary of State's Bills sold per rupee		1s. 4·733d.	1s. 2·985d.	1s. 2·547d.
Fixed rate of Exchange for the Adjustment of Transactions between the Indian and Imperial Treasuries		1s. 6⅛d.	1s. 4¾d.	1s 2¾d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta		5 (Jan.—Mar.)	6 (Jan.)	10 (Feb.)
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta		2 (Aug. & Sept.)	3 (May to Dec.)	4 (June 29 to Nov. 15 & Nov. 30 to Jan. 10.)
Maximum rate of discount at the Bank of England		5 (May & June)	3 (Apl., Oct., Nov., Dec. & Jan.)	5 (Aug. & Sept.)
Minimum ditto ditto		2½ (July, Aug. & Sept.)	2 (May to Oct.)	2 (Feb. & Mar.)
Maximum Government balances at the three Presidency Banks	₹	4 74,37.000 (June)	4.12,36,000 (May)	3 68,54,000 (June)
Minimum ditto ditto	₹	2,87,16,000 (Oct)	2,75,19,000 (Nov.)	3,01,64,000 (Nov.)
Maximum price in Calcutta of Government 4 per cent Rupee Securities		108—4 (June)	109—2 (May)	108—12 (June)
Minimum ditto ditto		104—10 (Feb.)	103—7 (Sept.)	99—4 (Feb.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)		...	...	...
Minimum ditto ditto		...	...	...
Maximum price in Calcutta of 3 per cent Rupee Securities		...	...	...
Minimum ditto ditto		...	...	...
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts	₹	27,92 15,000 (Feb.)	27,25,66,000 (Apl.)	25,97,83,000 (July)
Minimum ditto ditto	₹	26,53,19,000 (Aug.)	25,92.71,000 (Mar.)	24,12,75,000 (Mar.)
Maximum price in London of 4 per cent (Rupee) Securities in Gold		78⅞ (July)	70⅝ (June)	71 (June)
Minimum ditto ditto		66⅜ (Mar.)	62 9/16 (Aug.)	56⅞ (Feb.)
Maximum price in London of 3½ per cent (Rupee) Securities in Gold		...	...	...
Minimum ditto ditto		...	...	...
Maximum price in London of India 3½ per cent Stock		108¾ (Apl.)	110 (Mar.)	110⅛ (Apl.)
Minimum ditto ditto		103⅛ (June)	105 (Aug.)	106¾ (Sept.)
Maximum price in London of India 3 per cent Stock		97¾ (Apl)	100¼ (Mar.)	1 0¼ (Apl.)
Minimum ditto ditto		93 (June)	95 (Aug.)	97 (Sept.)
Maximum price in London of India 2½ per cent Stock		...	...	...
Minimum ditto ditto		...	...	...
Maximum Government Paper Currency outstanding	₹	27,04 07,000 (July)	29,06,50,000 (Aug.)	30,51,59 000 (Jan.)
Minimum ditto ditto	₹	22,62,42,000 (Jan.)	23,95,81,000 (Apl.)	24,21,60,000 (Apl.)
Number of Savings Banks		6,642	6,594	6,544
Number of depositors in Savings Bank		528,752	588,477	644,658
Amount deposited in Savings Bank	₹	8,88,63,720	9,77,46,560	10,32,25,410
Average of each deposit	₹	170	170	160
Net addition to deposits	₹	82,41,310	88,82,830	54,78 850

* Excludes Capital charge involved in redemption of

† In calculating this rate, a re-remittance to India

DIX IV.

FINANCIAL STATISTICS.

CELLANEOUS.

1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	1899 1900, Revised Estimate.	1900-1901, Budget.
R 69,31,100	R 1,53,39,980	...	...	£ 2,640 873	£ 2,552,800	£ 160,300
...	...	R 1,70,50,220	R 5,35,92,110	...	...	...
R 4,44,62,310	R 4,08,71,940	R 4,98,44,220	R 4,32,85,410	£ 3,279,316	£ 3,042,700	£ 1,551,000
...	...	...	...	...	...	£ 5,922,400
4,822,662	—586,412	5,407,235	6,077,779	£ 2,553,052	£ —121,300	£ 7,819,100
4,172,650	—772,349	6,102,527	4,670,942	£ 1,169,161	£—2,055,100	£ 7,300,400
108,91,40,000	114,33,50,000	103,98,40,000	97,63,30,000	112,80,00,000		
73,52,90,000	72,93,70,000	76,11,70,000	73,64,70,000	72,10,20,000		
35,38,50,000	41,39,80,000	27,86,70,000	23,98,60,000	40,69,80,000		
—4,97,40,000	2,52,60,000	2,29,10,000	4,90,90,000	6,50,30,000		
6,32,90,000	6,58,20,000	5,85,60,000	8,47,30,000	3,98,10,000		
1,35,50,000	9,10,80,000	8,14,70,000	13,38,20,000	10,48,40,000		
34,03,00,000	32,29 00,000	19,72,00,000	10,60,40,000	30,21,40,000	...	...
200,25,00,000	204,89,90,000	198,12,30,000	198,95,90,000	210,20,80,000	...	...
30,96,98,798	31.08,54,373	25.78,70,166	14,81,28,010	28,07,63,671	28,37,27,000	24,66,00.000
16,905.102	17,664,492	15,526.547	9,506,077	18.692,377	19,000,000	16,440,000
9,45,940	29.27,130	56,86,650	98,56 910	69,83,650		
30½ (Aug.)	31⅝ (Feb.)	31⅝ (June)	28½ (Apl.)	28 5/16 (Sept.)	29 (Apl.)	
27 3/16 (Dec. & Jan.)	29 7/8 (Apl.)	28 3/16 (Mar.)	23⅝ (Aug.)	25 1/16 (Apl.)	26⅝ (Oct.)	
1s. 1·1005d.	1s. 1·6381d.	1s. 2·4505d.	† 1s. 3·3539d.	1s. 3·9784d.	1s. 4·072d.	1s. 4d.
1s. 3¼d. 1st quarter. For the remaining quarters, 1s. 1¼d.	1s. 1¼d.	1s. 1½d.	1s. 2½d.	1s. 3¼d.	1s. 4d.	1s. 4d.
9 (Apl.)	7 (Feb.)	10 (Dec. 23 to Mar. 31.)	12 (Feb. 24 to Mar. 31.)	12 (Apl. 1—27)	8 (Oct. 17—25 and Jany. 11—Mar. 14)	
3 (Sept. 6th to Jan. 16th.)	3 (July 25 to Nov. 13.)	3 (July 2 to Sept. 2).	5 (July 15 to Sept. 8 & 25 Nov. to 15 Dec.)	4 (July 28 to Sept. 7)	4 (July 6 to Sept. 13)	
2	2	4	3 (Oct. to Mar.)	4 (Apl. and May, Oct. to Jany.)	8 (Nov. 30 to Jany. 10)	
2	2	2	2 (May to Sept.)	2½ (July to Sept.)	3 (Apl. to July 12)	
4,29.20,000 (Jan.)	4 16,19,000 (May)	3,91,42,000 (Aug.)	3,27,96,000 (Mar.)	3,48,23,000 (Aug.)	4,16,05,000 (June)	
3,16,57,000 (Nov.)	3,00,15,000 (Nov.)	2,02,19,000 (Nov.)	2,02,53,000 (Sept.)	2,76,74,000 (Nov.)	2,58,60,000 (Nov.)	
105—2 (June)	...	...	...			
102—3 (May)	...	...	...			
105—7 (Mar.)	109—8 (Oct.)	110—15 (May)	104—1 (May 21)	101—11 (Feb. 22)	101—9 (25—27 May)	
102—9 (Jan.)	104—15 (Jan.)	98—11 (Feb.)	94—4 (Jan. 7)	92—10 (Apl. 22)	92—4 (Oct. 6)	
...	...	105 (Aug.)	97—4 (May & June).	95—8 (Mar. 15 to 17 and 22).	95—8 (15 to 29 May)	
...	...	97 (Jan. to Mar.)	90—0 (Jan. to Mar.)	86—0 (Nov. 16 to Jan. 17).	88—0 (13—14 Mar.)	
23,63,46,000 (Apl.)	25,35,43,000(Nov.)	26,64,72,000(Nov.)	23,47,80 000 (Apl.)	21 93,37,000 (Oct.)		
13,73,29,000 (Dec.)	24,05,02,000 (Apl.)	23,92,57,000(Mar.)	21,39,05,000(Mar.)	21,33,46,000 (Aug.)	...	
59 7/16 (Aug.)	...	...	...	...	...	
53 3/16 (May)	...	...	...	...	...	
58¼ Mar.)	65 1/16 (Feb.)	65 1/16 (Aug.)	64½ (Jan.)	67 7/16 (Mar.)	67⅝ (Apl.)	
53 3/16 (Jan.)	57½ (Apl. and May)	60 (Oct.)	60 1/16 (Dec.)	61½ (Oct. and Nov.)	62 (Oct. and Dec.)	
116 (Feb)	120⅜ (Feb.)	122½ (Apl.)	119⅛ (Aug.)	117⅞ (Mar.)	116¼ (Apl.)	
108¼ (June)	114½ (Apl.)	114⅜ (Sept.)	114¼ (Mar.)	111 (Oct.)	104⅞ (Dec.)	
105 (Jan.)	111½ (Feb.)	115⅞ (May)	112½ (May)	109¼ (Feb.)	109¼ (Aug.)	
98¾ (June)	103¼ (May)	106 (Oct.)	105 (Mar.)	103½ (Oct.)	98¾ (Dec.)	
...	...	103 (June)	99¼ (Apl.)	94⅛ (Mar.)	99¼ (Apl.)	
...	...	95¾ (Sept.)	92 (Mar.)	84⅝ (Oct.)	85 (Dec.)	
32,35,54,000 (Nov.)	32,42,86,000(July)	29,58,99,000 (July)	24,76,40,000(Mar.)	28.20,33,000(Mar.)	29,27,12,000(July)	
29,50,00,000 (Jan.)	25,94,07,000(Mar.)	23,57,85,000 (Feb.)	22,86,16,000 (May)	23,24,55,000 (May)	26,26,33,000(Dec.)	
6,564	6,520	6,596	6,484	6 481	...	
683,209	716.554	742,215	755,426	783.558	...	
10,53,50,170	11,12,12,520	10,88,67,920	10,55,67,340	10,79,12,020	...	
150	150	150	140	140	...	
21,24,760	58,62,350	—23,44,600	—33,00,590	23,44,690	...	

Liabilities.

of R1,00,00,000 by means of Bank drafts is taken into account.

APPENDIX IV—*continued.*

Table II.—Statement showing the true financial results to the Revenues of India of the guarantee of interest upon the Capital of Guaranteed Railway Companies.

(Omitting 000 in rupee figures except in accounts.)

	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at end of official year .	2,587	2,587	2,588	2,588	2,588	2,627	1,305
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Gross traffic receipts . . .	6,12,41,664	6,25,51,302	5,68,51,797	5,41,45,964	6,38,10,069	6,29,50	3,54,10
Working expenses	3,07,38,556	2,97,98,925	3,05,10,161	3,21,32,048	3,29,83,339	3,34,00	1,75,36
Percentage of working expenses on receipts	50·19	47·64	53·67	59·34	51·69	53·06	49·52
Net traffic receipts	3,05,03,108	3,27,52,377	2,63,41,636	2,20,13,916	3,08,26,730	2,95,50	1,78,74
Net gain by the remittance to England of Capital receipts and disbursements in India at the contract rates of exchange instead of at the average yearly rates obtained for the Secretary of State's bills . .	...	...	...	...	...	...	...
Total Revenue .	3,05,03,108	3,27,52,377	2,63,41,636	2,20,13,916	3,08,26,730	2,95,50	1,78,74
Gross guaranteed interest paid in India	63,518	28,224	82,246	88,990	82,089	1,32	1,26
Ditto in London £	2,154,714	2,161,563	2,160,967	2,154,784	2,162,525	2,172,300	1,590,300
Total guaranteed interest (sterling payments converted at the average exchange of the year) . . .	3,95,37,538	3,80,66,757	3,59,72,313	3,37,70,839	3,25,19,965	3,27,17	2,39,81
Surplus paid to Railway Companies .	60,06,946	50,15,073	44,73,021	11,03,022	36,18,447	41,72	25,21
Land and Supervision . . .	3,15,411	2,88,082	2,80,824	1,59,111	3,63,890	10,54	3,66
Net loss on receipts and disbursements of Capital in India calculated in the same way as the gain . . .	7,42,620	8,72,650	8,31,480	11,04,620	18,16,734	21,54	2,90
Total Expenditure .	4,66,02,515	4,42,42,562	4,15,57,638	3,61,37,592	3,83,19,036	4,00,97	2,71,58
Net Expenditure from the Public Treasury	1,60,99,407	1,14,90,185	1,52,16,002	1,41,23,676	74,92,306	1,05,47	92,84
Net Revenue	...	...	...	...	...	...	...

APPENDIX IV—*continued.*

Table III.—Actual Capital expenditure on State Railways in 1898-99, and estimated expenditure on such works in 1899-1900 and 1900-1901, and to end of 1900-1901.

Railways.	To end of 1897-98.	Accounts, 1898-99.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.	To end of 1900-1901.	Sanctioned outlay.	Balance remaining unspent.
Open Lines.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
East Indian	18,47,13,905	1,25,59,624	1,95,00,000	1,28,20,000	22,95,93,529	22,95,93,529	...
Rajputana-Malwa System	15,05,58,771	—1,15,096	18,00,000	12,00,000	15,34,43,675	15,34 43,675	...
Palanpur-Deesa	2,33,264	...	...	...	2,33,264	2,33,264	...
Bhopal	23,67,127	18,638	60,000	50,000	24,95,765	24,95,765	...
Wardha Coal	49,96,325	...	...	...	49,96,325	49,96,325	...
Warora Colliery	18,56,631	—71,508	—57,000	—39,000	16,89,123	16,89,123	...
Umaria Colliery	11,91,272	—70,145	—9,09,000	...	2,12,127	2,12,127	...
Burma	7,69,17,913	—5,589	...	...	7,69,12,324	7,69,12,324	...
Jorhat	9,02,656	15,476	15,000	5,000	9,38,132	9,38,132	...
Cherra-Companyganj	7,69,121	410	—1,000	...	7,68,531	7,68,531	...
Eastern Bengal	9,66,44,413	18,06,308	29,00,000	33,56,000	10,47,06,721	10,47,06,721	...
Tirhoot	2,61,22,677	11,49,707	5,90,000	18,00,000	2,96,62,384	2,96,62,384	...
Oudh and Rohilkhand	12,64,69,777	11,10,887	12,40,000	7,13,000	12,95,33,664	12,95,33,664	...
Lucknow-Bareilly	51,21,140	...	...	...	51,21,140	51,21,140	...
North Western	40,35,02,847	39,65,065	24,60,000	28,15,000	41,27,42,912	41,27,42,912	...
Guntakal-Mysore frontier	59,02,620	—3,780	...	...	58,98,840	58,98,840	...
South Indian	7,32,69,288	—19,58,792	5,00,000	5,00,000	7,23,10,496	7,23,10,496	...
Dhond and Manmad	1,14,07,313	29,601	1,30,000	50,000	1,16,16,914	1,16,16,914	...
Mayavaram-Mutupet	24,97,045	—1,989	22,000	12,73,000	37,90,056	37,90,056	...
Hyderabad-Shadipalli	18,37,796	630	...	...	18,38,426	18,38,426	...
Petroleum Operations	1,19,187	...	...	...	1,19,187	1,19,187	...
Frontier Railway Reserve Material	43,91,149	—33,656	—10,000	...	43,47,493	43,47,493	...
Peshawar Railway Reserve Material	3,67,759	—6,281	...	(*b*) ...	3,61,478	3,61,478	...
Great Indian Peninsula	...	...	...	6,01,28,000	6,01,28,000	6,01,28,000	...
East Coast (*a*)	7,54,00,850	71,98,582	9,12,000	8,00,000	8,43,11,432	8,43,11,432	...
Total	1,25,75,60,846	2,55,88,092	2,91,52,000	8,54,71,000	1,39,77,71,938	1,39,77,71,938	...
Lines under construction.							
Cooch Behar-Santrabari	80,214	3,05,213	2,00,000	...	5,85,427	6,86,000	1,00,573
Assam-Bengal (Construction)	2,81,35,264	1,17,92,594	97,50,000	41,00,000	5,37,77,858	6,70,28,000	1,32,50,142
Ditto (Chittagong Jetties)	...	4,63,766	2,16,000	10,000	6,89,766	6,90,000	234
Ditto (Land)	33,16,520	2,16,247	70,000	1,00,000	37,02,767	50,50,000	13,47,233
Indus Bridge	16,94,881	10,20,896	2,52,000	1,00,000	30,67,777	31,69,000	1,01,223
Mari-Attock	1,37,73,767	14,43,427	2,00,000	4,00,000	1,58,17,194	1,58,18,000	806
Nowshera-Dargai	...	...	9,14,000	5 73,000	14,87,000	15,06,000	19,000
Madura-Paumben	...	...	2,65,000	...	2,65,000	68,91,000	66,26,000
Shadipalli-Jodhpore Frontier	26,758	9,70,558	10,04,000	10,00,000	30,01,316	31,56,000	1,54,684
Hajipur-Begum Serai-Katihar extension	60,44,350	22,88,634	24,10,000	15,38,000	1,22,80,984	1,22,81,000	16
Lyallpur-Khanewal	13,07,619	8,89,777	8,51,000	4,00,000	34,48,396	37,00,000	2,51,604
Rajbari-Fareedpur	5,68,694	2,21,980	—20,000	...	7,70,674	13,60,000	5,89,326
Godavari Bridge	15,37,778	16,67,516	21,83,000	6,00,000	59,88,294	59,89,000	706
Kaunia-Dhubri Extension	...	18,182	6,50,000	20,00,000	26,68,182	45,44,000	18,75,818
Teesta Bridge	1,08,476	3,97,743	8,15,000	4,00,000	17,21,219	17,22,000	781
Jullunder-Hoshiarpore	15,512	—981	...	...	14,531	15,000	469
Ludhiana-Ferozepore	28,311	...	...	...	28,311	29,000	689
Agra-Delhi Chord	61,933	352	1,00,000	...	1,62,285	90,76,000	89,13,715
Ghaziabad-Moradabad	93,952	18,59,513	36,55,000	22,75,000	78,83,465	82,30,000	3,46,535
Tinnevelley-Quilon—British Section	...	...	3,28,000	8,00,000	11,28,000	25,00,000	13,72,000
Total	5,67,94,029	2,35,55,417	2,38,43,000	1,42,96,000	11,84,88,446	15,34,40,000	3,49,51,554
Carried forward	1,31,43,54,875	4,91,43,509	5,29,95,000	9,97,67,000	1,51,62,60,384	1,55,12,11,938	3,49,51,554

(*a*) Includes Bezwada Extension and Bezwada-Madras Railways.
(*b*) Includes £5,922,400 on account of Capital charge involved in redemption of liabilities.

APPENDIX IV—*continued.*

Table III.—Actual Capital expenditure on State Railways in 1898-99, and estimated expenditure on such works in 1899-1900 and 1900-1901, and to end of 1900-1901—*concluded.*

Railways.	To end of 1897-98.	Accounts, 1898-99.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.	To end of 1900-1901.	Sanctioned outlay.	Balance remaining unspent.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Brought over .	1,31,43,54,875	4,91,43,509	5,29,95,000	9,97,67,000	1,51,62,60,384	1,55,12,11,938	3,49,51,554
Lines in abeyance or transferred to Companies, etc.							
Ranaghat-Bhagwangola . .	3,02,450	...	...	...	3,02,450	3,02,450	...
Southern Mahratta (Depreciation on stores, etc.) . . .	5,27,071	...	...	...	5,27,071	5,27,071	...
Bellary-Kistna . . .	1,65,78,416	...	...	...	1,65,78,416	1,65,78,416	...
Bilaspur-Etawah . . .	75,132	...	...	...	75,132	75,132	...
Vizagapatam-Raipur . . .	2,45,035	...	...	...	2,45,035	2,45,035	...
*Nagpur-Chhattisgarh Depreciation Account	6,57,038	...	...	...	6,57,038	6,57,038	...
Total .	1,83,85,142	...	...	...	1,83,85,142	1,83,85,142	...
Stores	3,83,351	4,69,859	—4,30,000	—12,51,000	—8,27,790	—8,27,790	...
	1,33,31,23,368	4,96,13,368	5,25,65,000	9,85,16,000	1,53,38,17,736	1,56,87,69,290	3,49,51,554
Deduct—Amount provided for Capital outlay on East Indian Railway by the issue of Sterling Debentures and Debenture Stock . . .	2,68,80,832	...	1,58,62,000	2,40,00,000	6,67,42,832	6,67,42,832	...
Deduct—Amount provided for Capital outlay on extensions of South Indian Railway by the issue of Sterling Debentures	...	...	...	7,50,000	7,50,000	7,50,000	...
	2,68,80,832	...	1,58,62,000	2,47,50,000	6,74,92,832	6,74,92,832	...
Total .	1,30,62,42,536	4,96,13,368	3,67,03,000	7,37,66,000	1,46,63,24,904	1,50,12,76,458	3,49,51[illegible]
Distributed as under—							
Capital Expenditure on Public Works (not charged to Revenue)—							
State Railways—Construction	81,65,12,463	4,26,95,315	3,66,67,000	1,32,64,000	90,91,38,778		
Redemption of Liabilities .	33,55,34,513	...	...	5,92,24,000	39,47,58,513		
Famine Relief and Insurance—							
Protective Railways . .	6,55,09,310	69,03,526	...	...	7,24,12,836		
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	6,50,98,310	14,527	36,000	12,78,000	6,64,26,837		
Preliminary Expenditure charged against Revenue and Exchange prior to 1884-85 .	2,35,87,940	...	...	...	2,35,87,940		
Total as above .	1,30,62,42,536	4,96,13,368	3,67,03,000	7,37,66,000	1,46,63,24,904	1,50,12,76,458	3,49,51,55[illegible]

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX IV—*continued.*

Table IV.—Capital Expenditure on Irrigation—Major Works, in 1898-99, and estimated expenditure on such works in 1899-1900 and 1900-1901, and to the end of 1900-1901.

IRRIGATION WORKS.	Actual outlay to end of 1897-98.	Accounts, 1898-99.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.	Total Actual and estimated outlay to end of 1900-1901.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Burma.							
Mandalay Canal	6,52,827	8,66,131	11,00,000	9,00,000	35,18,958	30,60,341	...
Bengal.							
Orissa Canals	2,57,20,630	67,748	44,000	62,000	2,58,94,378	...	
Midnapore Canal	82,80,766	...	...	...	82,80,766	...	
Tijili Tidal Canal	25,51,729	...	...	...	25,51,729	...	
Sone Canals	2,58,74,446	—*31,444*	...	19,000	2,58,62,002	...	
North-Western Provinces and Oudh.							
Ganges Canal	2,81,91,429	29,942	93,000	1,23,000	2,84,37,371	...	
Lower Ganges Canal	3,25,26,484	4,66,324	6,03,000	1,43,000	3,37,38,808	...	
Ditto Fatehpur Branch	22,20,228	5,16,882	3,42,000	2,73,000	33,52,110	34,20,000	67,890
Agra Canal	88,51,327	16,646	17,000	30,000	89,14,973	...	
Eastern Jumna Canal	36,25,672	10,046	41,000	81,000	37,57,718	...	
Punjab.							
Western Jumna Canal (including Sirsa Branch)	1,54,46,424	4,06,231	4,75,000	84,000	1,64,11,655	...	
Bari Doab Canal	1,74,42,508	61,603	1,29,000	3,78,000	1,80,11,111	...	
Sirhind Canal (State outlay)	2,29,78,477	91,925	1,20,000	1,59,000	2,33,49,402	...	
Chenab Canal	2,21,55,547	15,08,596	9,15,000	7,90,000	2,53,69,143	...	
Jhelum Canal	1,97,851	4,04,106	26,86,000	34,14,000	67,01,957	1,20,24,068	53,22,111
Madras.							
Godavari Delta System	1,10,75,793	84,574	64,000	90,000	1,13,14,367	...	
Kistna Delta System	1,23,50,690	1,57,670	1,90,000	2,14,000	1,29,12,360	...	
Pennér river Canals System	47,98,525	21,908	74,000	1,88,000	50,82,433	...	
Periyar Project	82,92,852	1,40,090	80,000	61,000	85,73,942	...	
Bombay.							
Desert Canal	12,36,893	13,849	1,24,000	3,72,000	17,46,742	...	
Begari ,,	16,48,610	8,934	12,000	...	16,69,544	...	
Eastern Nara Works	60,64,987	1,205	61,000	1,24,000	62,51,192	...	
Jamrao Canal	37,62,258	14,70,843	12,07,000	7,51,000	71,91,101	77,26,671	5,35,570
Mutha Canals	63,65,939	34,795	25,000	4,000	64,29,734	...	
Other projects	3,22,48,973	3,30,398	6,67,000	18,63,000	3,51,09,371	...	
Deduct—Outlay incurred from Ordinary Revenues and exchange prior to 1884-85	30,45,61,865	66,79,002	90,69,000	1,01,23,000	33,04,32,867	...	
TOTAL	6,04,24,330	1,43,520	96,000	1,23,000	6,07,86,850	...	
	24,41,37,535	65,35,482	89,73,000	1,00,00,000	26,96,46,017	...	
FAMINE RELIEF AND INSURANCE.							
PROTECTIVE IRRIGATION WORKS.							
North-Western Provinces and Oudh							
Betwa Canal	40,83,549	—*880*	78,000	1,26,000	42,86,669	...	
Punjab.							
Swat River Canal	38,53,968	31,078	1,00,000	...	39,85,046	...	
Madras.							
Rushikulya Project	42,55,220	53,351	44,000	26,000	43,78,571	45,53,000	1,74,429
Bombay.							
Nira Canal	53,45,173	10,322	4,000	6,000	53,65,495	57,34,655	3,69,160
Other projects	42,98,200	22,824	46,000	3,42,000	47,09,104	...	
Deduct—Outlay incurred from Ordinary Revenues	2,18,36,190	1,16,695	2,72,000	5,00,000	2,27,24,885	...	
TOTAL	28,54,330	...	...	...	28,54,330	...	
GRAND TOTAL	1,89,81,860	1,16,695	2,72,000	5,00,000	1,98,70,555	...	
	26,31,19,395	66,52,177	92,45,000	1,05,00,000	28,95,16,572	...	

APPENDIX IV—*continued.*

Table V.—Gross traffic receipts, working expenses, and net traffic receipts of Guaranteed and State Railways for five years ending 1898-99, with Revised Estimates for 1899-1900 and Budget Estimates for 1900-1901.

	Accounts.					Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.		
GUARANTEED RAILWAYS.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	2,587	2,587	2,587	2,588	2,588	2,588	2,627
Gross Traffic Receipts.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Madras	1,05,41,396	1,11,78,411	1,09,98,075	1,13,97,301	1,02,35,380	1,08,00,000	1,10,00,00
Bombay, Baroda and Central India	1,63,02,251	1,78,59,159	1,52,15,406	1,40,17,891	1,67,45,041	1,81,00,000	1,70,00,00
Great Indian Peninsula . .	3,43,98,017	3,35,13,732	3,06,38,316	2,87,30,772	3,68,29,648	3,40,50,000	73,50,00
Ditto Extensions .	...	...	...	...	...	...	60,00
TOTAL .	6,12,41,664	6,25,51,302	5,68,51,797	5,41,45,964	6,38,10,069	6,29,50,000	3,54,10,00
Working Expenses.							
Madras	54,00,376	53,05,197	55,07,398	55,05,832	51,88,748	55,00,000	54,00,00
Bombay, Baroda and Central India	59,64,003	65,36,250	71,62,458	78,89,334	72,51,431	81,00,000	74,00,00
Great Indian Peninsula . .	1,93,74,177	1,79,57,478	1,78,40,305	1,87,36,882	2,05,43,160	1,98,00,000	47,00,00
Ditto Extensions .	...	...	...	...	...	...	36,00
TOTAL .	3,07,38,556	2,97,98,925	3,05,10,161	3,21,32,048	3,29,83,339	3,34,00,000	1,75,36,00
Net Traffic Receipts.							
Madras	51,41,020	58,73,214	54,90,677	58,91,469	50,46,632	53,00,000	56,00,00
Bombay, Baroda and Central India	1,03,38,248	1,13,22,909	80,52,948	61,28,557	94,93,610	1,00,00,000	96,00,00
Great Indian Peninsula . .	1,50,23,840	1,55,56,254	1,27,98,011	99,93,890	1,62,86,488	1,42,50,000	26,50,00
Ditto Extensions .	...	...	...	...	...	...	24,00
TOTAL .	3,05,03,108	3,27,52,377	2,63,41,636	2,20,13,916	3,08,26,730	2,95,50,000	1,78,74,00

APPENDIX IV—*continued.*

	Accounts.					Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.		
STATE RAILWAYS.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
(*a*) Open mileage at beginning of year	13,086	14,146	14,721	15,378	15,582	16,643	17,136
Gross Traffic Receipts.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
East Indian	5,24,85,252	5,49,37,940	5,45,09,165	5,88,44,801	6,01,10,986	6,60,03,000	6,20,03,000
Rajputana-Malwa System	2,51,31,237	2,35,08,246	2,01,09,829	1,97,44,695	2,28,60,759	2,75,00,000	2,35,00,000
Bhopal	1,61,638	1,42,658	1,63,689	1,52,216	1,93,364	2,10,000	2,20,000
Palanpur-Deesa	38,608	37,543	51,862	39,696	40,271	48,000	45,000
Warora Colliery	5,19,548	5,45,969	5,20,646	5,52,256	6,09,393	5,85,000	6,00,000
Wardha Coal	2,20,237	1,93,552	2,06,078	1,98,857	2,09,600	2,03,000	2,00,000
Bengal-Nagpur	67,92,140	65,79,242	61,28,992	61,53,113	73,81,307	98,00,000	1,05,00,000
Umaria Colliery	4,20,239	3,96,195	3,91,333	3,85,062	4,78,862	...	...
Burma	59,55,441	65,53,010	73,92,814	86,92,755	86,77,541	93,00,000	97,00,000
Mu Valley	3,22,910	4,08,534	6,49,809				
Assam-Bengal	...	4,25,363	6,64,449	10,65,504	14,22,065	16,00,000	18,00,000
Jorhat	73,568	80,758	91,805	1,07,237	94,036	94,000	95,000
Cherra-Companyganj	24,877	25,647	26,975	5,707	6,505	9,000	17,000
Eastern Bengal	1,43,86,293	1,43,15,686	1,50,05,866	1,53,02,138	1,41,48,932	1,58,00,000	1,55,00,000
Bengal and North-Western and Tirhoot	56,72,841	56,72,009	56,50,067	62,50,386	66,33,807	79,00,000	82,00,000
Bengal Central	8,42,258	9,36,030	9,35,145	11,83,699	10,38,158	11,50,000	11,50,000
Brahmaputra-Sultanpur Branch	...	...	...	...	...	...	34,000
Oudh and Rohilkhand	1,10,53,377	97,45,180	81,86,207	88,21,064	1,00,88,265	1,14,00,000	1,15,00,000
Indian Midland	52,76,672	45,44,755	48,57,459	56,86,339	57,13,632	71,50,000	63,50,000
Lucknow-Bareilly	9,87,272	8,13,577	7,93,351	8,99,020	10,43,931	13,00,000	12,00,000
Hurdwar-Dehrá	...	...	...	...	...	...	50,000
North Western	3,25,41,874	3,48,56,911	2,88,79,068	3,48,28,212	3,64,17,015	3,52,00,000	3,65,00,000
South Indian	83,13,196	90,34,880	89,92,806	89,44,017	84,35,906	85,00,000	86,00,000
Mysore	14,64,042	16,07,690	15,84,068	18,99,315	12,10,229	11,00,000	12,00,000
Bezwáda Extension	1,86,483	23,11,514	26,59,819	30,62,179	31,33,712	49,00,000	50,00,000
East Coast including Ennur-Bezwáda	15,89,333						
Bezwáda-Madras (Ennur Section)	...	...	61,330	63,874	44,064		
Takal-Mysore Frontier	3,82,798	4,46,825	4,86,633	6,36,828	3,87,828	4,00,000	4,00,000
Vayavaram-Mutupet	2,11,785	2,46,536	2,57,203	2,58,372	2,45,846	2,42,000	2,55,000
Dhond and Manmad* (net)	3,81,993	4,08,233	3,67,395	2,81,272	2,89,635	3,00,000	3,00,000
Southern Mahratta	59,39,232	66,37,013	65,88,447	61,74,980	49,94,337	60,50,000	58,00,000
Hyderabad-Shadipalli	1,46,416	1,75,488	1,83,728	2,11,653	2,29,706	2,17,000	2,17,000
Shadipalli-Jodhpur Frontier	...	...	...	...	...	...	2,50,000
Great Indian Peninsula	...	...	...	...	...	...	2,75,00,000
TOTAL	18,15,21,560	18,55,86,984	17,63,96,038	19,04,45,247	19,61,39,692	21,69,61,000	23,86,86,000

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India receive only a percentage of the gross receipts.

(*a*) Includes the length of the Bengal and North-Western Railway.

APPENDIX IV—*continued.*

Working Expenses.	Accounts. 1894-95. Rs.	1895-96. Rs.	1896-97. Rs.	1897-98. Rs.	1898-99. Rs.	Revised Estimate, 1899-1900. Rs.	Budget Estimate, 1900-1901. Rs.
East Indian	1,75,89,640	1,88,45,469	1,84,90,208	1,95,32,035	2,33,39,483	2,50,00 000	2,20,00,000
Rajputana-Malwa System	1,15,95,201	1,16,15,027	1,02,69,023	99,30,441	1,21,28,709	1,27,00,000	1,15,00,000
Bhopál	1,00,183	96,544	1,00,943	91,080	1,13,929	1,30,000	1,30,000
Palanpur-Deesa	27,802	26,857	35,880	27,424	26,514	29,000	29,000
Warora Colliery	4,80,989	4,02,121	3,47,718	3,95,929	4,26,619	4,15,000	4,20,000
Wardha Coal	1,30,947	1,17,189	1,22,219	1,40,326	1,31,773	1,23,000	1,20,000
Bengal-Nagpur	33,48,553	32,95,299	35,25,211	31,70,834	36,16,820	45,00,000	47,00,000
Umaria Colliery	4,00,413	3,92,930	3,96,921	3,77,229	4,51,067	...	...
Burma	35,03,446	34,73,821	38,00,524	} 51,97,806	52,71,162	54,00,000	57,50,000
Mu Valley	5,03,534	6,25,444	8,17,674				
Assam-Bengal	...	3,26,855	6,75,233	8,97,608	13,79,359	12,50,000	13,50,000
Jorhat	59,126	74,351	72,623	81,701	88,183	90,000	90,000
Cherra-Companyganj	20,464	23,117	25,913	68,628	1,07,271	35,000	30,000
Eastern Bengal	57,21,845	56,09,676	60,40,686	66,64,217	66,44,427	71,50,000	75,00,000
Bengal and North-Western and Tirhoot	41,13,733	43,79,030	43,72,762	44,33,591	48,23,561	63,00,000	65,00,000
Bengal Central	5,82,819	6,11,523	6,92,277	8,13,198	7,71,673	7,65,000	7,75,000
Brahmaputra-Sultanpur Branch	...	...	...	...	...	...	15,000
Oudh and Rohilkhand	48,22,046	50,08,568	45,00,835	46,15,177	47,92,194	51,00,000	54,00,000
Indian Midland	30,04,228	28,48,510	28,99,699	31,25,639	32,45,596	37,50,000	35,00,000
Lucknow-Bareilly	6,01,992	5,36,385	5,24,593	5,34,976	6,00,961	7,50,000	7,00,000
Hurdwar-Dehra	...	...	...	...	...	...	25,000
North Western	1,90,34,337	1,87,68,633	1,71,05,883	1,83,01,773	1,91,54,545	1,91,00,000	1,99,00,000
South Indian	49,34,686	54,23,075	51,68,948	50,78,583	49,58,361	48,00,000	51,00,000
Mysore	10,91,508	10,94,332	10,91,865	13,32,970	9,68,892	8,50,000	9,00,000
Bezwáda Extension	99,745	} 18,39,198	20,32,322	21,13,593	22,45,774	} 31,00,000	30,00,000
East Coast including Ennur-Bezwáda	13,27,059						
Bezwáda-Madras (Ennur Section)	...	...	51,135	40,392	25,625		
Guntakal-Mysore Frontier	2,47,940	2,53,585	2,78,467	3,71,670	2,69,557	2,70,000	2,70,000
Mayavaram-Mutupet	1,30,739	1,52,822	1,51,909	1,49,832	1,69,999	1,46,000	1,63,000
Dhond and Manmad*	...	...	...	...	...	...	...
Southern Mahratta	43,30,125	44,41,090	44,78,578	43,78,972	39,46,803	45,00,000	44,00,000
Hyderabad-Shadipalli	1,07,205	1,26,906	1,25,484	1,46,397	1,54,057	1,41,000	1,41,000
Shadipalli-Jodhpur Frontier	...	...	...	...	...	...	1,20,000
Great Indian Peninsula	...	...	...	...	...	...	1,53,00,000
TOTAL	8,79,10,305	9,04,08,357	8,81,95,533	9,20,12,021	9,98,52,914	10,63,94,000	11,98,28,000

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881.

APPENDIX IV—*continued.*

Net Traffic Receipts.	Accounts. 1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
East Indian	3,48,95,612	3,60,92,471	3,60,18,957	3,93,12,766	3,67,71,503	4,10,03,000	4,00,03,000
Rajputana-Malwa System	1,35,36,036	1,18,93,219	98,40,806	98,14,254	1,07,32,050	1,48,00,000	1,20,00,000
Bhopal	61,455	46,114	62,746	61,136	79,435	80,000	90,000
Palanpur-Deesa	10,806	10,686	15,982	12,272	13,757	19,000	16,000
Warora Colliery	38,559	1,43,848	1,72,928	1,56,327	1,82,774	1 70,000	1,80,000
Wardha Coal	89,290	76,363	83,859	58,531	77,827	80,000	80,000
Bengal-Nagpur	34,43,587	32,83,943	26,03,781	29,82,279	37,64,487	53,00,000	58,00,000
Umaria Colliery	19,826	3,265	—5,588	7,833	27,795	...	...
Burma	24,51,995	30,79,189	35,92,290	34,94,949	34,06,379	39,00,000	39,50,000
Mu Valley	—1,80,624	—2,16,910	—1,67,865				
Assam-Bengal	...	98,508	—10,784	1,67,896	42,706	3,50,000	4,50,000
Jorhat	14,442	6,407	19,182	25,536	5,853	4,000	5,000
Cherra-Companyganj	4,413	2,530	1,062	—62,921	—1,00,766	—26,000	—13,000
Eastern Bengal	86,64,448	87,06,010	89,65,180	86,37,921	75,04,505	86,50,000	80,00,000
Bengal and North-Western and Tirhoot	15,59,108	12,92,979	12,77,305	18,16,795	18,10,246	16,00,000	17,00,000
Bengal Central	2,59,439	3,24,507	2,42,868	3,70,501	2,66,485	3,85,000	3,75,000
Brahmaputra-Sultanpur Branch	...	...	...	...	...	...	19,000
Oudh and Rohilkhand	62,31,331	47,36,612	36,85,372	42,05,887	52,96,071	63,00,000	61,00,000
Indian Midland	22,72,444	16,96,245	19,57,760	25,60,700	24,68,036	34,00,000	28,50,000
Lucknow-Bareilly	3,85,280	2,77,192	2,68,758	3,64,039	4,42,970	5,50,000	5,00,000
Hurdwar-Dehra	...	...	...	...	...	...	25,000
North Western	1,35,07,537	1,60,88,278	1,17,73,185	1,65,26,444	1,72,62,470	1,61,00,000	1,66,00,000
South Indian	33,78,510	36,11,805	38,23,858	38,65,434	34,77,545	37,00,000	35,00,000
Mysore	3,72,534	5,13,358	4,92,203	5,66,345	2,41,337	2,50,000	3,00,000
Bezwáda Extension	86,738	4,72,316	6,27,497	9,48,586	8,87,938	18,00,000	20,00,000
East Coast including Ennur-Bezwáda	2,62,274						
Bezwáda-Madras (Ennur Section)	...	...	10,195	23,482	18,439		
Ántakal-Mysore Frontier	1,34,858	1,93,240	2,08,166	2,65,158	1,18,271	1,30,000	1,30,000
Mayavaram-Mutupet	81,046	93,714	1,05,294	1,08,540	75,847	96,000	92,000
Dhond and Manmad	3,81,993	4,08,233	3 67,395	2,81,272	2,89,635	3,00,000	3,00,000
Southern Mahratta	16,09,107	21,95,923	21,09,869	17,96,008	10,47,534	15,50,000	14,00,000
Hyderabad-Shadipalli	39,211	48,582	58,244	65,256	75,649	76,000	76,000
Shadipalli-Jodhpur Frontier	...	...	...	...	...	...	1,30,000
Great Indian Peninsula	...	...	...	...	...	...	1,22,00,000
TOTAL	9,36,11,255	9,51,78,627	8,82,00,505	9,84,33,226	9,62,86,778	11,05,67,000	11,88,58,000

APPENDIX IV—*continued.*

Table VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1898-99, with Revised Estimates for 1899-1900, and Budget Estimates for 1900-1901.

	Actuals.					Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.		
DIRECT RECEIPTS—	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Orissa canals	3,33,072	4,17,222	4,74,217	5,54,757	4,69,554	4,61,000	4,00,000
Midnapore canal	2,94,682	2,63,994	2,79,757	2,75,636	2,33,772	2,66,000	2,02,000
Hijili Tidal canal	58,525	61,976	90,946	92,210	75,286	63,000	62,000
Sone canals	8,37,761	7,72,123	10,64,693	12,66,974	10,75,265	10,10,000	10,54,000
Ganges canal	25,49,701	15,95,189	32,20,543	36,35,539	32,06,998	35,95,000	36,42,000
Lower Ganges canal	15,49,177	9,48,174	23,34,146	29,09,026	22,79,590	22,46,000	18,90,000
Ditto Fatehpur Branch	...	...	...	...	...	12,000	1,51,000
Agra canal	6,39,007	4,60,587	8,10,172	9,74,061	6,81,498	8,30,000	7,98,000
Eastern Jumna canal	8,95,811	6,75,461	11,13,772	14,15,472	12,48,831	12,41,000	11,50,000
Betwa canal	59,116	25,874	83,699	1,37,700	1,10,665	98,000	93,000
Western Jumna canal (including Sirsa Branch)	14,93,305	13,13,922	26,31,948	25,48,661	28,00,084	29,70,000	27 00,000
Chenab canal	4,83,585	10,46,273	16,77,407	20,48,891	24,06,523	30,45,000	35,80,000
Bari Doab canal	21,13,750	23,34,660	26,64,486	29,30,064	30,06,435	29,90,000	29,00,000
Sirhind canal	9,60,527	13,48,327	27,94,950	32,96,639	27,53,361	33,63,000	28,00,000
Swat River canal	2,75,034	2,44,028	2,66,205	3,65,500	4,13,960	4,15,000	4,30,000
Godavari Delta System	1,25,418	1,09,978	1,01,598	96,447	1,09,589	1,09,000	1,09,000
Kistna „ „	53,745	54,297	49,587	45,228	78,372	78,000	78,000
Pennér River Canals „	933	1,260	1,026	1,687	2,302	1,000	2,000
Periyar Project	...	...	...	684	581	...	...
Rushikulya „	1,023	533	831	784	1,470	2,000	2,000
Desert canal	16,851	42,011	14,890	32,835	43,442	38,000	38,000
Begari „	26,643	37,712	30,445	37,651	49,964	46,000	45,000
Eastern Nara Works	23,018	25,103	25,733	26,537	26,363	24,000	24,000
Mutha canals	2,35,822	2,77,046	2,35,390	2,34,169	2,57,142	2,69,000	2,31,000
Nira canal	81,867	86,884	79,040	1,35,705	1,42,459	1,10,000	92,000
Other projects	5,97,494	6,51,450	6,34,131	7,14,583	6,55,795	5,25,000	6,01,000
TOTAL	1,37,05,867	1,27,94,084	2,06,79,612	2,37,77,440	2,21,29,301	2,38,07,000	2,30,74,000
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Ganges canal	7,15,593	7,15,593	7,15,593	7,15,593	7,15,593	7,58,000	7,58,000
Lower Ganges canal	2,09,586	2,09,586	2,09,586	2,09,586	2,09,586	2,10,000	2,10,000
Eastern Jumna „	2,49,803	2,49,803	2,49,803	2,49,803	2,49,803	2,50,000	2,50,000
Chenab canal	1,19,715	1,68,776	2,32,729	2,79,202	3,31,965	4,32,000	5,70,000
Bari Doab canal	1,86,403	1,76,859	1,97,025	2,13,629	2,21,189	2,20,000	2,20,000
Swat River „	...	...	58,462	42,418	40,823	45,000	45,000
Godavari Delta System	22,61,021	23,48,473	25,67,709	29,10,856	29,15,743	28,47,000	29,90,000
Kistna „ „	18,66,896	20,59,402	20,28,707	23,08,267	24,91,812	24,68,000	24,95,000
Pennér River Canals „	3,34,027	3,41,518	3,33,067	3,32,676	3,51,193	2,77,000	3,54,000
Periyar Project	...	...	33,774	1,06,582	2,62,867	2,81,000	3,17,000
Rushikulya „	24,994	35,863	59,794	58,144	82,033	81,000	84,000
Desert canal	1,04,487	80,300	86,793	1,19,348	1,11,398	1,19,000	1,21,000
Begari „	2,78,260	2,35,861	2,86,415	3,62,798	3,54,168	3,87,000	3,93,000
Eastern Nara Works	3,84,302	3,50,433	4,42,233	5,34,332	5,07,038	5,73,000	5,74,000
Mutha canals	*—6,288*	*—7,792*	*—5,505*	*—5,604*	*—6,470*	...	...
Nira canal	*—4,002*	*—4,269*	*—3,888*	*—6,695*	*—7,035*	...	...
Other projects	10,36,594	12,56,234	12,25,785	12,16,446	12,55,880	12,05,000	12,90,000
TOTAL	77,61,391	82,16,640	87,18,082	96,47,381	1,00,87,586	1,01,53,000	1,06,71,000

APPENDIX IV—*continued.*

Table VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1898-99, with Revised Estimates for 1899-1900, and Budget Estimates for 1900-1901—*continued.*

	Actuals.					Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.		
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Total Revenue—							
Orissa canals	3,33,072	4,17,222	4,74,217	5,54,757	4,69,554	4,61,000	4,00,000
Midnapore canal	2,94,682	2,63,994	2,79,757	2,75,636	2,33,772	2,66,000	2,02,000
Hijili Tidal canal	58,525	61,976	90,946	92,210	75,286	63,000	62,000
Sone canals	8,37,761	7,72,123	10,64,693	12,66,974	10,75,265	10,10,000	10,54,000
Ganges canal	32,65,294	23,10,782	39,36,136	43,51,132	39,22,591	43,53,000	44,00,000
Lower Ganges canal	17,58,763	11,57,760	25,43,732	31,18,612	24,89,176	24,56,000	21,00,000
Ditto Fatehpur Branch	...	...	...	...	...	12,000	1,51,000
Agra canal	6,39,007	4,60,587	8,10,172	9,74,061	6,81,498	8,30,000	7,98,000
Eastern Jumna canal	11,45,614	9,25,264	13,63,575	16,65,275	14,98,634	14,91,000	14,00,000
Betwa canal	59,116	25,874	83,699	1,37,700	1,10,665	98,000	93,000
Western Jumna canal (including Sirsa Branch)	14,93,305	13,13,922	26,31,948	25,48,661	28,00,084	29,70,000	27,00,000
Chenab canal	6,03,300	12,15,049	19,10,136	23,28,093	27,38,488	34,77,000	41,50,000
Bari Doab canal	23,00,153	25,11,519	28,61,511	31,43,693	32,27,624	32,10,000	31,20,000
Sirhind canal	9,60,527	13,48,327	27,94,950	32,96,639	27,53,361	33,63,000	28,00,000
Swat River canal	2,75,034	2,44,028	3,24,667	4,07,918	4,54,783	4,60,000	4,75,000
Godavari Delta System	23,86,439	24,58,451	26,69,307	30,07,303	30,25,332	29,56,000	30,99,000
Kistna „ „	19,20,641	21,13,699	20,78,294	23,53,495	25,70,184	25,46,000	25,73,000
Pennér River Canals „	3,34,960	3,42,778	3,34,093	3,34,363	3,53,495	2,78,000	3,56,000
Periyar Project	...	...	33,774	1,07,266	2,63,448	2,81,000	3,17,000
Rushikulya „	26,017	36,396	60,625	58,928	83,503	83,000	86,000
Desert canal	1,21,338	1,22,311	1,01,683	1,52,183	1,54,840	1,57,000	1,59,000
Begari „	3,04,903	2,73,573	3,16,860	4,00,449	4,04,132	4,33,000	4,38,000
Eastern Nara Works	4,07,320	3,75,536	4,67,966	5,60,869	5,33,401	5,97,000	5,98,000
Mutha canals	2,29,534	2,69,254	2,29,885	2,28,565	2,50,672	2,69,000	2,31,000
Nira canal	77,865	82,615	75,152	1,29,010	1,35,424	1,10,000	92,000
Other projects	16,34,088	19,07,684	18,59,916	19,31,029	19,11,675	17,30,000	18,91,000
Total	2,14,67,258	2,10,10,724	2,93,97,694	3,34,24,821	3,22,16,887	3,39,60,000	3,37,45,000
Working Expenses—							
Orissa canals	4,56,540	4,42,049	4,65,745	5,07,948	4,65,598	4,51,000	4,37,000
Midnapore canal	2,16,304	2,66,168	2,23,927	2,30,683	2,69,703	2,89,000	2,38,000
Hijili Tidal canal	45,479	58,880	38,490	38,448	48,535	41,000	50,000
Sone canals	6,54,649	5,31,308	5,53,719	5,74,779	5,59,480	5,95,000	6,06,000
Ganges canal	10,30,856	8,58,672	10,13,681	10,80,004	10,62,597	10,63,000	10,73,000
Lower Ganges canal	7,85,205	7,13,588	8,31,690	8,70,983	9,96,696	8,92,000	9,74,000
Ditto Fatehpur Branch	...	...	...	...	1,935	66,000	69,000
Agra canal	2,51,212	1,81,848	2,20,401	2,25,801	2,34,351	2,81,000	2,63,000
Eastern Jumna canal	3,12,596	2,61,050	3,19,412	3,29,875	3,84,099	3,89,000	3,81,000
Betwa canal	89,984	87,462	90,286	1,07,431	1,01,686	90,000	80,000
Western Jumna canal (including Sirsa Branch)	6,66,040	7,66,254	7,97,475	8,18,818	8,63,021	9,50,000	8,90,000
Chenab canal	4,31,903	4,13,990	4,99,177	6,21,106	7,08,766	10,59,000	10,19,000
Bari Doab canal	6,24,987	6,43,401	6,80,398	6,26,969	7,86,572	8,06,000	7,52,000
Sirhind canal	5,51,717	6,09,505	6,73,589	6,30,761	6,73,078	8,72,000	7,49,000
Swat River canal	82,963	91,714	60,409	1,02,990	99,596	60,000	96,000
Godavari Delta System	4,87,593	4,95,577	5,20,955	4,89,878	5,80,559	6,02,000	5,83,000
Kistna „ „	4,16,213	5,80,672	7,05,100	5,85,491	5,25,151	5,33,000	5,50,000
Pennér River Canals „	53,561	65,983	56,269	41,471	36,139	38,000	38,000
Periyar Project	...	...	42,108	82,262	1,16,138	92,000	94,000
Rushikulya „	13,974	29,155	39,751	32,859	38,734	51,000	62,000
Desert canal	1,15,700	51,671	64,095	70,023	59,152	57,000	66,000
Begari „	34,521	52,161	57,561	96,400	72,152	97,000	94,000
Eastern Nara Works	1,26,046	1,09,983	79,077	1,05,929	1,11,007	1,02,000	94,000
Mutha canals	71,770	65,948	84,433	69,662	74,377	75,000	72,000
Nira canal	46,585	43,331	54,890	51,201	52,785	51,000	48,000
Other projects	4,31,190	4,52,642	5,39,161	5,29,418	4,82,021	5,18,000	5,13,000
Total	79,97,588	78,73,012	87,11,799	89,21,190	94,03,928	1,01,20,000	98,91,000

APPENDIX IV—*continued.*

Table VI.—Gross receipts, working expenses, and nêt earnings of Irrigation—Major Works, for five years ending 1898-99, with Revised Estimates for 1899-1900, and Budget Estimates for 1900-1901—*concluded.*

	Actuals.					Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.		
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
NET REVENUE—							
Orissa canals	*—1,23,468*	*—24,827*	8,472	46,809	3,956	10,000	*—37,000*
Midnapore canal	78,378	*—2,174*	55,830	44,953	*—35,931*	*—23,000*	*—36,000*
Hijili Tidal canal	13,046	3,096	52,456	53,762	26,751	22,000	12,000
Sone canals	1,83,112	2,40,815	5,10,974	6,92,195	5,15,785	4,15,000	4,48,000
Ganges canal	22,34,438	14,52,110	29,22,455	32,71,128	28,59,994	32,90,000	33,27,000
Lower Ganges canal	9,73,558	4,44,172	17,12,042	22,47,629	14,92,480	15,64,000	11,26,000
Ditto Fatehpur Branch	...	...	...	...	*—1,935*	*—54,000*	82,000
Agra canal	3,87,795	2,78,739	5,89,771	7,48,260	4,47,147	5,49,000	5,35,000
Eastern Jumna canal	8,33,018	6,64,214	10,44,163	13,35,400	11,14,535	11,02,000	10,19,000
Betwa canal	*—30,868*	*—61,588*	*—6,587*	30,269	8,979	8,000	13,000
Western Jumna canal (including Sirsa Branch)	8,27,265	5,47,668	18,34,473	17,29,843	19,37,063	20,20,000	18,10,000
Chenab canal	1,71,397	8,01,059	14,10,959	17,06,987	20,29,722	24,18,000	31,31,000
Bari Doab canal	16,75,166	18,68,118	21,81,113	25,16,724	24,41,052	24,04,000	23,68,000
Sirhind canal	4,08,810	7,38,822	21,21,361	26,65,878	20,80,283	24,91,000	20,51,000
Swat River canal	1,92,071	1,52,314	2,64,258	3,04,928	3,55,187	4,00,000	3,79,000
Godavari Delta System	18,98,846	19,62,874	21,48,352	25,17,425	24,44,773	23,54,000	25,16,000
Kistna „ „	15,04,428	15,33,027	13,73,194	17,68,004	20,45,033	20,13,000	20,23,000
Pennér River Canals „	2,81,399	2,76,795	2,77,824	2,92,892	3,17,356	2,40,000	3,18,000
Periyar Project	...	...	*—8,334*	25,004	1,47,310	1,89,000	2,23,000
Rushikulya „	12,043	7,241	20,874	26,069	44,769	32,000	24,000
Desert canal	5,638	70,640	37,588	82,160	95,688	1,00,000	93,000
Begari „	2,70,382	2,21,412	2,59,299	3,04,049	3,31,980	3,36,000	3,44,000
Eastern Nara Works	2,81,274	2,65,553	3,88,889	4,54,940	4,22,394	4,95,000	5,04,000
Mutha canals	1,57,764	2,03,306	1,45,452	1,58,903	1,76,295	1,94,000	1,59,000
Nira canal	31,280	39,284	20,262	77,809	82,639	59,000	44,000
Other projects	12,02,898	14,55,042	13,20,755	14,01,611	14,29,654	12,12,000	13,78,000
TOTAL	1,34,69,670	1,31,37,712	2,06,85,895	2,45,03,631	2,28,12,959	2,38,40,000	2,38,54,000

APPENDIX IV—*continued.*

TABLE VII.—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

Actuals, 1898-99.

RAILWAYS.		Amount in Rupees.	Amount in sterling at contract rates.	Equivalent at Rs. 15=£1.	Exchange.
		R	£	*R*	*R*
GUARANTEED RAILWAYS.					
RECEIPTS.					
Madras		28,51,778	261,413	39,21,195	—10,69,417
Bombay, Baroda and Central India		53,56,870	491,046	73,65,690	—20,08,820
Great Indian Peninsula		87,99,151	806,589	1,20,98,835	—32,99,684
Ditto Extensions		15,736	1,043	15,645	91
	TOTAL	1,70,23,535	1,560,091	2,34,01,365	—63,77,830
ADVANCES.					
Madras Extensions		4,16,645	27,539	4,13,085	3,560
Madras		21,96,893	201,382	30,20,730	—8,23,837
Bombay, Baroda and Central India		54,86,691	502,946	75,44,190	—20,57,499
Great Indian Peninsula		45,31,599	415,397	62,30,955	—16,99,356
Ditto Extensions		11,04,389	73,015	10,95,225	9,164
	TOTAL	1,37,36,217	1,220,279	1,83,04,185	—45,67,968
NET RECEIPTS.					
Madras Extensions		—4,16,645	—27,539	—4,13,085	—3,560
Madras		6,54,885	60,031	9,00,465	—2,45,580
Bombay, Baroda and Central India		—1,29,821	—11,900	—1,78,500	48,679
Great Indian Peninsula		42,67,552	391,192	58,67,880	—16,00,328
Ditto Extensions		—10,88,653	—71,972	—10,79,580	—9,073
	TOTAL	32,87,318	339,812	50,97,180	—18,09,862
SUBSIDIZED RAILWAYS.					
Gain on remittances to India.	RECEIPTS.				
	Southern Mahratta	...	—13,282	—1,99,230	1,99,230
	Indian Midland	...	—10,952	—1,64,280	1,64,280
	Ditto Saugor-Katni	...	28	420	—420
	Bengal Central	...	—639	—9,585	9,585
	Bengal-Nagpur	...	5,401	81,015	—81,015
	Ditto Extensions	...	2,981	44,715	—44,715
	Burma	...	11,159	1,67,385	—1,67,385
	Lucknow-Bareilly	...	—129	—1,935	1,935
		...	—5,433	—81,495	81,495
Capital received in India.					
	Ahmedabad-Parantij	—22,000	—1,467	—22,000	...
	South Behar	14,50,000	96,667	14,50,000	...
	Tapti Valley	62,25,000	415,000	62,25,000	...
	Mymensingh-Jamalpur-Jaggannathganj	6,92,000	46,133	6,92,000	...
	Brahmaputra-Sultanpur	5,48,000	36,533	5,48,000	...
	Hurdwar-Dehra	14,50,000	96,667	14,50,000	...
		1,03,43,000	689,533	1,03,43,000	...
	TOTAL	1,03,43,000	684,100	1,02,61,505	81,495
WITHDRAWALS IN INDIA.					
Southern Mahratta		—2,83,338	—23,611	—3,54,165	70,827
Mysore		3,45,421	25,807	3,87,105	—41,684
Assam-Bengal		—12,44,724	—82,171	—12,32,565	—12,159
Indian Midland		—2,52,691	—20,215	—3,03,225	50,534
Ditto Saugor-Katni		13,66,219	91,081	13,66,219	...
Bengal Central		5,05,462	36,355	5,45,325	—39,863
Bengal-Nagpur		26,155	1,535	23,025	3,130
Ditto Extensions		1,17,86,569	785,771	1,17,86,569	...
Lucknow-Bareilly		16,874	1,124	16,874	...
Burma		55,26,880	325,462	48,81,930	6,44,950
		1,77,92,827	1,141,138	1,71,17,092	6,75,735
Ahmedabad-Parantij		5,965	398	5,965	...
South Behar		22,37,462	149,164	22,37,462	...
Tapti Valley		59,88,450	399,230	59,88,450	...
Mymensingh-Jamalpur-Jaggannathganj		6,95,143	46,343	6,95,143	...
Brahmaputra-Sultanpur		5,56,414	37,094	5,56,414	...
Hurdwar-Dehra		15,09,344	100,623	15,09,344	...
		1,09,92,778	732,852	1,09,92,778	...
	TOTAL	2,87,85,605	1,873,990	2,81,09,870	6,75,735
	Net Withdrawals	1,84,42,605	1,189,890	1,78,48,365	5,94,240
GUARANTEED AND SUBSIDIZED RAILWAYS.					
	Net Withdrawals	1,51,55,287	850,078	1,27,51,185	24,04,102

APPENDIX IV—*continued.*

TABLE VII.—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

Revised Estimate, 1899-1900.

RAILWAYS.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 000.)	Exchange. (Omitting 000.)
GUARANTEED RAILWAYS.	₹	£	₹	₹
RECEIPTS.				
Madras	32,50	297,9	44,68	—12,18
Bombay, Baroda and Central India	63,00	460,4	69,06	—6,06
Great Indian Peninsula	80,00	733,3	1,10,00	—30,00
Ditto Extensions	40	2,7	40	...
TOTAL	1,75,90	1,494,3	2,24,14	—48,24
ADVANCES.				
Madras Extensions	9,50	63,4	9,51	—1
Madras	26,50	242,9	36,43	—9,93
Bombay, Baroda and Central India	52,00	332,5*	49,87	2,13
Great Indian Peninsula	50,00	458,3	68,75	—18,75
Ditto Extensions	25,00	166,6	24,99	1
TOTAL	1,63,00	1,263,7	1,89,55	—26,55
NET RECEIPTS.				
Madras Extensions	—9,50	—63,4	—9,51	1
Madras	6,00	55,0	8,25	—2,25
Bombay, Baroda and Central India	11,00	127,9	19,19	—8,19
Great Indian Peninsula	30,00	275,0	41,25	—11,25
Ditto Extensions	—24,60	—163,9	—24,59	—1
TOTAL	12,90	230,6	34,59	—21,69
SUBSIDIZED RAILWAYS.				
RECEIPTS.				
Gain on remittances to India. — Southern Mahratta	...	—6,3	—94	94
Indian Midland	...	—24,8	—3,73	3,73
Bengal Central	...	—6	—9	9
Bengal-Nagpur	...	3,3	49	—49
Ditto Extensions	...	2,3	35	—35
Burma	...	23,1	3,47	—3,47
	...	—3,0	—45	45
Capital received in India. — Ahmedabad-Parantij	11	7	11	...
Tapti Valley	25,15	167,7	25,15	...
Mymensingh-Jamalpur-Jaggannathganj	4,00	26,7	4,00	...
Brahmaputra-Sultanpur	7,00	46,7	7,00	...
Hurdwar-Dehra	6,50	43,3	6,50	...
	42,76	285,1	42,76	...
TOTAL	42,76	282,1	42,31	45
WITHDRAWALS IN INDIA.				
Southern Mahratta	—78	—6,5	—97	19
Mysore	1,75	13,1	1,96	—21
Assam-Bengal	—13,90	—92,5	—13,88	—2
Indian Midland	—64	—5,1	—77	13
Ditto Saugor-Katni	4,81	32,1	4,81	...
Bengal Central	1,11	7,3	1,09	2
Bengal-Nagpur	1,51	9,0	1,35	16
Ditto Extensions	1,08,73	724,9	1,08,73	...
Lucknow-Bareilly	8	5	8	...
Burma	48,38	284,9	42,74	5,64
	1,51,05	967,7	1,45,14	5,91
Ahmedabad-Parantij	—18	—12	—18	...
South Behar	9,35	62,3	9,35	...
Tapti Valley	28,65	191,0	28,65	...
Mymensingh-Jamalpur-Jaggannathganj	4,00	26,7	4,00	...
Brahmaputra-Sultanpur	8,00	53,3	8,00	...
Hurdwar-Dehra	6,80	45,4	6,80	...
	56,62	377,5	56,62	...
TOTAL	2,07,67	1,345,2	2,01,76	5,91
Net Withdrawals	1,64,91	1,063,1	1,59,45	5,46
GUARANTEED AND SUBSIDIZED RAILWAYS.				
Net Withdrawals	1,52,01	832,5	1,24,85	27,15

*After allowing for a special adjustment of £57,700 on account of revaluation of Indian stores in stock on 1st July 1899.

APPENDIX IV—*concluded*.

TABLE VII.—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

Budget Estimate, 1900-1901.

RAILWAYS.	Amount in Rupees (Omitting 000).	Amount in sterling at contract rates. (Omitting 00).	Equivalent at Rs.15=£1. (Omitting 000.)	Exchange. (Omitting 000.)
	₹	£	₹	₹
GUARANTEED RAILWAYS.				
RECEIPTS.				
Madras	32,00	293,3	43,99	—11,99
Bombay, Baroda and Central India	60,00	400,0	60,00	...
Great Indian Peninsula	49,57	374,0	56,10	—6,53
Ditto Extensions	2,41	16,1	2,41	...
TOTAL	1,43,98	1,083,4	1,62,50	—18,52
ADVANCES.				
Madras Extensions	9,71	64,7	9,71	...
Madras	25,53	234,0	35,10	—9,57
Bombay, Baroda and Central India	32,63	217,5	32,63	...
Great Indian Peninsula	16,15	148,0	22,20	—6,05
Ditto Extensions	3,33	22,3	3,33	...
TOTAL	87,35	686,5	1,02,97	—15,62
NET RECEIPTS.				
Madras Extensions	—9,71	—64,7	—9,71	...
Madras	6,47	59,3	8,89	—2,42
Bombay, Baroda and Central India	27,37	182,5	27,37	...
Great Indian Peninsula	33,42	226,0	33,90	—48
Ditto Extensions	—92	—6,2	—92	...
TOTAL	56,63	396,9	59,53	—2,90
SUBSIDIZED RAILWAYS.				
RECEIPTS.				
Gain on remittances to India. Southern Mahratta	...	—13,4	—2,01	2,01
Indian Midland	...	—26,4	—3,96	3,96
Bengal-Nagpur	...	1,2	18	—18
Ditto Extensions	...	6	9	—9
Burma	...	11,8	1,77	—1,77
	...	—26,2	—3,93	3,93
Capital received in India. Ahmedabad-Parantij	16	1,0	16	...
Tapti Valley	3,00	20,0	3,00	...
Brahmaputra-Sultanpur	3,70	24,7	3,70	...
Hurdwar-Dehra	25	1,7	25	...
Mymensingh-Jamalpur-Jaggannathganj	2,00	13,3	2,00	...
	9,11	60,7	9,11	...
TOTAL	9,11	34,5	5,18	3,93
WITHDRAWALS IN INDIA.				
Southern Mahratta	—5,04	—33,7	—5,05	1,01
Mysore	2,00	15,0	2,25	—25
Assam-Bengal	70,53	470,1	70,53	...
Indian Midland	—14,44	—115,5	—17,33	2,89
Ditto Saugor-Katni	1,58	10,5	1,58	...
Bengal Central	1,10	7,3	1,10	...
Bengal-Nagpur	5,49	35,0	5,25	24
Ditto Extensions	77,92	519,5	77,92	...
Lucknow-Bareilly	29	1,9	29	.
Burma	50,55	316,4	47,47	3,08
	1,90,98	1,226,5	1,84,01	6,97
Ahmedabad-Parantij	45	3,0	45	...
South Behar	—6,00	—40,0	—6,00	...
Tapti Valley	3,00	20,0	3,00	...
Mymensingh-Jamalpur-Jaggannathganj	2,00	13,3	2,00	..
Brahmaputra-Sultanpur	4,00	26,7	4,00	...
Hurdwar-Dehra	50	3,3	50	...
	3,95	26,3	3,95	..
TOTAL	1,94,93	1,252,8	1,87,96	6,97
Net Withdrawals	1,85,82	1,218,3	1,82,78	3,04
GUARANTEED AND SUBSIDIZED RAILWAYS.				
Net Withdrawals	1,29,19	821,4	1,23,25	5,94

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA, ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 AND 1892 (24 & 25 VICT., CAP. 67, AND 55 & 56 VICT., CAP. 14).

The Council met at Government House, Calcutta, on Wednesday, the 28th March, 1900.

PRESENT:

His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.

His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.

The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.

The Hon'ble Sir A. C. Trevor, K.C.S.I.

The Hon'ble Mr. C. E. Dawkins.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Mr. Denzil Ibbetson, C.S.I.

The Hon'ble Mr. P. M. Mehta, C.I.E.

The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.

The Hon'ble Mr. J. K. Spence, C.S.I.

The Hon'ble Mr. G. Toynbee.

The Hon'ble Mr. D. M. Smeaton, C.S.I.

The Hon'ble Mr. J. D. Rees, C.I.E.

The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.

The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidia Vinodha, Avargal, Rai Bahadur, C.I.E.

The Hon'ble Kunwar Sir Harnam Singh Ahluwalia, K.C.I.E., of Kapurthala.

The Hon'ble Mr. H. F. Evans, C.S.I.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Mr. Allan Arthur.

DISCUSSION OF THE FINANCIAL STATEMENT FOR 1900-1901.

His Excellency THE PRESIDENT said:—"It has been suggested to me by more than one Hon'ble Member that it may be a convenience, both to the Member concerned and to the rest of Council, if, in the case of his having a

speech of great length to make, he be given permission to lay it upon the table, and to deliver only a summary of it, or such portion of it as he may think desirable. Whilst I have no wish to curb the natural eloquence of Hon'ble Members, I think that this is an excellent suggestion, and, if any Hon'ble Member proposes to take advantage of it to-day, I will not stand in his way. The speech, even if not delivered here, will, of course, appear in its entirety in the Press, and will thus appeal to the wider audience for whom it is probably intended."

The Hon'ble MR. DAWKINS moved that the Financial Statement for 1900-1901 be taken into consideration. He said:—"I do not propose to make any general remarks at this moment. I think it will be better to wait for the observations of Hon'ble Members and then to supply any information in answer to these observations, which it may be in my power to give. But there is one matter which perhaps I may call attention to. The Government has just concluded an arrangement with the State of Marwar for converting the local currency into British rupees. We have undertaken to convert up to two crores of local currency into British rupees, the Durbar engaging to deal with any excess that may be found to exist over that amount. The Government has had much satisfaction in making this arrangement although our finances derive no profit whatsoever from the transaction, but it will be of great assistance to the people of the State, whose difficulties in these days of famine have been much increased by the existence of this depreciated and depreciating currency. I venture to hope that the intelligent and public-spirited action of the Maharaja of Jodhpur may find imitators. Considerable difficulties, I believe, exist elsewhere owing to these depreciated currencies, but this is not a matter in which Government can take the initiative; that must be left for the Native States, though I think I can say that if any Native States care to approach the Government they will be sure of meeting with treatment as liberal as our duty to our own taxpayers permits us to afford."

The Hon'ble MR. ALLAN ARTHUR said:—"My Lord, as junior member of Your Lordship's Council, it affords me much pleasure to congratulate the Government of India on the state of their finances as disclosed by the Budget. It has been pointed out by a leading newspaper that the Government have to thank certain fortuitous circumstances for the satisfactory position shown, but, when it is considered that a famine of unprecedented magnitude, following closely on another of great severity, has to be provided for in order to avert terrible disaster, it will be generally admitted that, given normal seasons, the finances of India are in a condition to enable the Government to resume expenditure, temporarily suspended, on Railways, Roads and other works, to the advantage of the country, and thereafter to show a handsome surplus. I should like to congratulate the Hon'ble Member on the very interesting statement he has made in laying his figures before the Council, and to mention that the reception by the Mercantile community of his first statement is tinged with the regret that it is also his last. The innovation the Hon'ble Member has made in showing the various items of revenue and expenditure in pounds sterling is a welcome change to those who were puzzled by the mystical 'Rx.' It simplifies the Budget, and is to be welcomed as apparently the first indication the Government of India have given of their entire confidence in the success of their currency policy. The Government might further indicate this confidence by guaranteeing interest on Government Paper at 1-4 Exchange. The main objection would appear to be that the change would put a considerable profit into the pockets of present holders, but it would start a move in the direction of English investment and would simplify to an extraordinary degree the question of borrowing in rupees.

"My Lord, the question of the Gold Note Act is one which has a considerable interest for the Mercantile community, and my remarks upon it are of considerable length. I take advantage of Your Excellency's permission to lay on the table a note[1] on the subject. The Hon'ble the Financial Member may wish to make some remarks on points upon which I have touched and I would summarize them

[1] *Vide* Appendix I.

very shortly. With reference to a remark of his that the season opened without the assistance of the money that is usually brought out before X'mas by the Exchange Banks, I point out in fairness to these Banks that for the last three months of 1899 much heavier remittances were made from England than were made during the same period in the preceding five years. I then go on to show that the result of the Secretary of State's Notification in connection with the Gold Note Act was to force Exchange up to 1*s.* 4$\frac{3}{8}$*d.*, and that owing to the over-financing, which the Notification caused, the rate has since declined to a point below 1*s.* 4*d.* to the disadvantage of the Government of India. I suggest that the refusal of the Secretary of State to have a maximum rate may be taken as a sign of weakness, and that a sudden retreat from a situation he had taken up cannot fail to constitute an unsolid foundation in the public view. I refer to certain remarks made by Your Excellency on the great advantages of attracting British capital to India, and on the necessity of Government doing everything in their power to minimize fluctuations in Exchange, so that capital may flow freely between England and India. I point out that, in order to prevent excessive fluctuations, Government should fix on a maximum rate of Exchange, beyond which the rupee must not be allowed to go, and that in order to make the Gold Note Act operative, the Government, seeing that they are responsible for the laws and regulations under which money can be imported from abroad or manufactured locally, should be prepared to give rupees in exchange for gold to an unlimited extent at the maximum rate fixed upon, which facility would only be availed of in times of pressure. And; finally, I suggest that Government should take power to purchase silver for coinage purposes against gold deposited under the Act, so that they may have no difficulty in meeting the demand for rupees, which they have recently experienced, and place the profit on such purchases to a special account for the maintenance of the Currency policy as recommended by the Indian Currency Committee.

"The concluding part of the note deals with the absence in India itself of a really effective last resort. The Bank of Bengal have advocated the desirability of the Presidency Banks being given access under certain restrictive terms to the Paper Currency Reserves in times of extreme pressure. I agree that there are difficulties as suggested by the Hon'ble Member, but think that the facility asked would be seldom, if ever, availed of, that the knowledge that there is a really effective last resort in India would be of immense assistance to those who are responsible for the financing of the internal trade of the country, that the difficulties the Hon'ble Member foresaw may not be so great as he anticipated, and that, as the facility asked for would be of great benefit to the internal trade of the country, the proposals of the Bank of Bengal should not be finally rejected.

"My Lord, there are two points in the Budget, which appear to me to be most satisfactory. They show a progressive spirit, and cannot fail to have the approval of those who believe in insurance against misfortunes. I refer first to the increased grant to Irrigation works. It has sometimes been said that the Government of India played with the important question of Irrigation, but this is a reproach which can no longer be levelled at them, and in this connection it is very satisfactory to learn that an officer of great experience is being put in charge of the Irrigation Department. The other point is in connection with Military expenditure, and the Military Department are to be congratulated on having prevailed on the Government to agree to re-arm the native army and the Volunteers with the Magazine rifle, to establish a cordite and a central gun carriage factory, to increase the number of officers with native regiments, and to ensure the greater mobility of the artillery. I notice that no mention is made in the Hon'ble the Military Member's interesting statement as to when the Volunteer re-armament is to take place, and I should like to point out that the arms issued to Volunteers are in many cases so worn out that it is most desirable to replace them with as little delay as possible. I should also like to draw attention to the fact that Calcutta with its thousands of Volunteers has most scanty and inconvenient accommodation in the matter of rifle ranges.

"My Lord, there is only one other matter I should like to touch upon, and that is the very handsome Revenue Surplus from the Telegraph Department. It is somewhat ungenerous to adversely criticize a Department

which has done and does splendid service throughout the Indian Empire, but, when I know that a friend of mine, who despatched a deferred telegram from Simla at the same time as he left Simla himself and arrived at my house in Calcutta just three days before the telegram, which is only one of many similar instances that I could give, and when I see a surplus on Telegraph Revenue account of 49½ lakhs of rupees, I cannot help remarking, to quote from my hon'ble friend's Financial Statement, that there is something not altogether right in the State of Denmark. I notice that a deficit is budgetted for for next year in the Department, but that is after debiting Capital Expenditure to Revenue, and I trust that no erroneous idea that the deficit is a real deficit and that the Department is working at a loss will be allowed to stand in the way of money being spent on additions to the Signalling staff or whatever is required to ensure a deferred telegram being transmitted from one to another part of the country more quickly than a railway passenger."

The Hon'ble RAI BAHADUR B. K. BOSE said:—"My Lord, the remarks I am going to submit will be confined to matters relating to the Province I have the honour to represent.

"In explaining the Financial Statement for 1899-1900, Sir James Westland laid before the Council two statements showing the progress of Provincial Finance from 1892 to 1899. Regarding the Central Provinces the following remarks occur: 'Fairly continuous progress,—a small drop in 1894-95 due, as the details show, to failure of land revenue. Recovery in 1895-96 Then a serious loss of revenue in the two famine years, 1896-97 and 1897-98. But complete recovery in the early future is anticipated.' The hope that the Province was about to enter on an era of renewed prosperity has not unhappily been realized. The year opened with disappointment and threatens to end in disaster. 1893-94 was the last year when the Province enjoyed as a whole the blessings of a good harvest. The fairly unbroken progress made till then was, in my humble opinion, due to the farseeing and generous policy of a long-term settlement coupled with an assessment which, on the whole, was moderate and in many districts exceptionally so, for the advantages accruing during the continuance of the settlement from extension of cultivation and rise in prices remained with the people. As the official records of the period show, a contrary policy had brought the country to the verge of ruin. A succession of bad seasons has, however, undone to a great extent the good results of that generous policy. To add to the difficulties of the people, the cycle of bad years has synchronized with the period during which many of the enhanced assessments of the new settlement have come into force. The Budget for 1900-1901 shows under receipts a smaller sum as land revenue, though the basis of the estimate is the revenue as enhanced, temporary remissions and suspensions accounting for the decrease. The percentage of enhancement inclusive of the resulting enhancement in cesses, but exclusive of the increase in the rating of sír land from a low to a full valuation, has been in one district 111 per cent. on the old demand, 70 to 99 per cent. in seven, 50 to 61 per cent. in five, and below 35 per cent. in two districts. The last two are districts where the percentage of assets taken as revenue and cesses at the old settlement was as high as 80. The above enhancements are said to be warranted by the progress of cultivation and rise in prices since the old settlement. Admitting the full force of this statement, the question still arises whether, in view of the altered circumstances of the country, the policy which led to these enhancements should not now be reviewed. I beg to be permitted to lay on the table a note[1] dealing with this subject in some detail.

For details *vide* annexures A and B to the note in Appendix II.

"Under the circumstances set forth in the note, I venture to hope that there will be a re-adjustment of both revenue and rent charges on land on a basis more in consonance with existing facts. In order that the agriculturists may reap the benefit of such a policy, if generously adopted, the next step needed is to relieve them of their present burden of debt. In some tracts they were so swamped with debt that no measure which did not bring about a settlement of their existing liabilities could save them from a position of virtual serfdom

[1] *Vide* Appendix II.

to their creditors. Mr. Commissioner Fuller, with the approval of the then Chief Commissioner, the Hon'ble Mr. Ibbetson, elaborated a scheme which has been most successfully worked in some of the worst tracts. The scheme involved a settlement of debts through Panchayats working under control of Government officers. As would appear from the Government Resolution of November last, the creditors were found so reasonable that in one tract they gave up debts amounting to about 10 lakhs. In another tract out of debts aggregating about 40 lakhs and owed by about 15,000 tenants and 'pattídárs,' about 28 lakhs, a sum nearly equal to ten times the revenue, were remitted. The conspicuous success of the experiment would justify its wider application. The secret of success was that by working through the people, the local public opinion was enlisted in its favour. But there is always a small minority of creditors, who are not amenable to reason. It is these men who bring discredit on the whole class and who need looking after. Whether in selected localities, composition on a fair basis through conciliators acting under Government control should not be provided for by statute where the voluntary system fails, in the case of agriculturists whose debts exceed a certain number of times the rental, is a question worthy of consideration. I believe that worked with caution and with due regard to the interests of both debtors and creditors, such a measure for settlement of debts which are impossible of repayment and which injure the former without benefiting the latter, would do good to all.

"The position of the agriculturist thus assured, the next step must be to provide him with loans for cultivation on fair terms. This was done in the case of those relieved under Mr. Fuller's scheme, who needed such help, by 'takkáví' loans. 'Takkáví' operations have, mucht o the benefit of the country, largely increased within the last 12 years. In 1889 the sum loaned was under half a lakh. In 1897-98 it exceeded 10 lakhs. I am unable to make out how much has been put down for the next year. In the year following the last famine about 15 lakhs 70 thousand were advanced. Besides, 29 lakhs were given from the Charity Fund. I am afraid there will be greater need for similar help this time. One great objection to a wider application of 'takkáví' operations is that the State thereby incurs a responsibility which may result in loss to the public revenue. But I take leave to point out that the new Tenancy Act. as I read it, has made a change in the borrowing power of the tenant. While he cannot mortgage his holding to a private creditor, no such disability attaches to him as regards statutory loans. Except where a mortgage registered before the Act and valid under the old law exists, the land of the tenant would furnish adequate security for the sum he would ordinarily need for his cultivation. But at the same time it must be confessed that the State cannot take the place of the village Sowkar. How to provide the landholders with cheap banking facilities, so that they may borrow without hopeless and lifelong embarrassment is a question which it would be improper for me to discuss now. But all the same its importance cannot be overrated.

"If only arrangements could be made to give the landholder what he actually needs for his land at a fair rate of interest, he cannot in the future get himself involved. For the new Tenancy Law has cut down his power of transfer. The fall in the Registration income during 1898-99 of 18 per cent., an income the lowest realized during the past seven years, is said to be partly due to this legislation, which has practically made the cultivating right in sír non-transferable when the village is ancestral property and has further made non-privileged tenant-right inalienable. In my humble opinion the fetters thus imposed on the power of transfer are in accordance with the spirit of the ancient usages and laws of the people. Power to transfer ancestral property, except for certain family purposes, did not exist under the old Mitákshará Law. This salutary rule has, in the case of fathers, been rendered almost nugatory by recent judge-made law, and the new legisiation in so far as it partially restricts the power of alienation and thus prevents to some extent dissipation of family property by the improvidence of individual members, is a step in the right direction. As a matter of fact, in pre-British days neither the málguzár nor the tenant had any right to transfer, and even after the country became British this power did not

exist. In the case of the former, it was for the first time brought into existence as a free gift from the Crown at the proprietary settlement. As after-experience has shown, this measure, though conceived in the best interest of the people, has resulted in the extinction of many old families, the natural leaders of the village communities. The law assumed in these cases an equality of advantages and intelligence, which did not as a matter of fact exist; and the rigid enforcement of the so-called doctrine of freedom of contract undid the good expected from the conferral of absolute proprietary right. It was found in 1888 that during the 20 odd years which had elapsed since the Settlement, over one-fifth of the málguzárí area had changed hands. Since then the evil became accentuated. The partial withdrawal of the former unrestricted right of transfer is a tardy measure of protection to the old landholding class. I admit the new law makes a village a less profitable investment to the capitalist and thus works to his detriment; but the good of the country at large demands that his interest should in this case give way to the interest of the great agricultural community, on whose welfare the progress of the country must rest.

"In addition to these measures, if irrigational facilities be increased the position of the landholders will be much assured. Your Excellency was pleased to say last year: 'The subject of irrigation is one that appeals very closely to my concern. We are all familiar with the aphorism about the service of the statesman who can make two blades of grass to grow where only one grew before; and in India we need not be reminded of the direct and almost immediate benefit to the agrarian class that results from an increase in the area of cultivation.' One noteworthy fact that has struck me in connection with irrigation expenditure is, that the Central Provinces do not appear to have participated in its benefit. Up to the end of 1896-97 the sum spent under the two main heads of productive and protective works was nearly 33 crores and a half, but as far as I can make out, the Central Provinces are conspicuous by their absence in the accounts relating to this expenditure. It may be that rivers which can serve as source of supply for canals are wanting, but what I am unable to make out is, why the question of having storage-tanks has never attracted attention. It cannot be said there is nothing in the country to suggest the utility of such works. We have many such tanks, made mainly in pre-British days, in what is known as the lake regions in the Central Provinces. Here an irrigation tank is an irregular sheet of water, its bank formed by hills and its dyke shaped out of spurs from them, thrown athwart the hollow. The largest of them has a circumference of 17 miles. By two short bunds, the waters of scores of hills have been impounded into a lovely lake, which spreads its fertilising streams over large areas of surrounding cultivation. Where the crude untrained village headman succeeded, British scientific skill is bound to attain greater success. In a question like this I speak with great diffidence, but I believe that the tracts of high-lands and valleys, which abound in the Central Provinces, would, if looked into, furnish suitable sites for several such tanks. Two or three of them have been made of late years to supply drinking water to municipal towns, but their importance for irrigation does not appear to have received consideration. Probably the omission may be due to the fact that as enjoying the benefit of both the Bombay and Bengal monsoon current, agriculture in the Central Provinces was, until within recent years, considered immune. But now that this belief has been dispelled, I would respectfully draw attention to the importance of tank irrigation. As pointed out by the Famine Commission of 1880, the true value of these works should not be measured by their financial success, but account must also be taken of the protection they give in years of drought, while in seasons of average rainfall they give certainty to agriculture, increase the crop-outturns, and enable more valuable crops to be grown. In the Budget for 1900-1901 irrigation grant has been raised to a full crore, and I may be permitted to hope that the Central Provinces will not be forgotten when the distribution of this grant takes place. In connection with this subject, it is gratifying to find that

	Rs.
Productive	31,25,29,480
Protective	21,09,92,530
TOTAL	52,35,22,010

more attention is being paid to irrigation-works as a measure of famine relief. These works show better results for the money spent than roads which are taken in hand merely to create employment for the people but which the country does not need, or which for want of repairs disappear in a few years after their construction.

"I cannot conclude without a word of reference to the famine which, for the time being, overshadows all other questions in my province. In replying to a municipal address, Mr. Fraser, our present Chief Commissioner, said with reference to the famine: 'But these feelings are mingled with deep anxiety and intense distress at the unprecedented calamities which have fallen upon the people. I am sustained in my anxiety and distress by the legacy which Mr. Ibbetson has left me in the elaborate instructions which, with his wonderful capacity, for work, he has framed for all departments of famine administration. I am sustained by the knowledge that I am surrounded by officers not only of capacity but of high purpose. And I am also sustained by the knowledge that the officers of Government will receive from the leaders of the people generally hearty co-operation and support . . . The Government of India have declared their intention to help us in every possible way in our struggle.' It is somewhat early to speak of the success of the policy the key-note of which was struck in these words. But if a thorough grasp of the situation, if ceaseless watching of the pulse of the distressed districts and skill in combining all forms of relief on the part of the head of the Administration, and if loyal support, incessant toil, and untiring devotion in the cause of humanity on the part of the local officers can command success, then is the success assured. The mortality returns are always most important guides in estimating the degree of success. An examination of these returns since the distress began discloses the gratifying fact that though overwhelmed by a calamity of even greater magnitude than that of 1896-97, when the deathrate at times went up as high as four times the normal in some tracts, the deathrate this time has not only not gone beyond the normal, but has actually been sub-normal in some months in some districts. But the famine with all its sufferings will, as we hope and pray, soon be a thing of the past; but the memory of the heroic efforts that are being made and the devotion and self-sacrifice that are being shown to repair its terrible havoc, a grateful people will not willingly let die. They are not given to noisy demonstrations, either of joy or grief; but whenever in the future, when prosperity will once more smile over the land, they will, after the day's toil is over, gather together of an evening at the temple of their village God and the talk would turn upon the dark days of the great famine, the kindly remembrance of all that was done for them will stir their innermost heart, and they will pronounce with the deepest veneration and gratitude the names of those who gave their life-blood to save them, and chief among these names will be that of Your Excellency."

Deathrate in December 1899—2·16.

Do. in December 1898—2·20.

The Hon'ble MR. EVANS said:—"Last year the late Finance Member found himself in the happy possession of a surplus of nearly four crores, and the question was raised whether the existence of that surplus called for or justified the remission of existing taxation. The soundness of the conclusion at which Your Excellency's Government arrived that any such step would be inadvisable, has been fully established by the events of the last 12 months; and Sir James Westland acted wisely in turning a deaf ear to the suggestions that were then made that he should avail himself of the opening which the prosperous condition of the finances seemed to give him of resorting to the popular step of taking off taxation. Of the two reasons then given for keeping a hold on the surplus, one has fortunately not taken practical shape, and I may be permitted to take this opportunity of adding my own congratulations to the many which Your Excellency will doubtless receive from my Hon'ble Colleagues on the complete success that has attended the introduction of a gold standard with the boon of a fixed exchange, the most important event that has taken place in the financial history of this country for many years. The second reason given by the late Finance Member for

maintaining the existing taxation was based on the peculiar characteristic of the finances of this country which renders it unwise to be hasty in dealing with what may be only a temporary superfluity of funds as if it were necessarily permanent in character. Sir James Westland remarked that 'the Government of India regarded themselves as under an obligation in the face of the deficits of the preceding two years to recover their position by accumulating counter-balancing surpluses.' The revenue of this country is derived mainly from sources dependent on its agricultural wealth and prosperity. Recent years have given remarkable examples, some saddening, some cheering, of the extraordinary vicissitudes that affect the agriculture of this country. The failure of the seasonal rains in 1897 involved wide areas and a large population in the sufferings arising from scarcity and famine. Equally remarkable was the rapid recovery that occurred in 1898, in which year, speaking from my personal experience in the Province I have the honour of representing, it was difficult to believe that the country had but a few months previously gone through a crisis which had afflicted more or less seriously eight of the nine divisions of that Province. It was this rapid revival of the resources of the country that gave the late Finance Member the large balance in his Budget. Had it been possible or prudent to regard that return of prosperity as certain to continue even for a short time, the case would have been different That it would not have been prudent to take such a view has been proved to our sorrow by the return in an even more extensive character of agricultural disaster and distress. But while we may feel that the events of the last 12 months have taught us the wisdom of regarding with some distrust the promises of returning prosperity, we have also the consolation that rapid and unexpected as are the agricultural catastrophes that overwhelm this country, its recovery from those disasters has in times past been equally and as wonderfully rapid and complete. If, then, on the one hand it is rash to presume on a continuance of good seasons, we have learnt that we should not be led by the occurrence of such calamities to despair of an early return of prosperity, and we may join with some confidence in the hope expressed by the Finance Member that famine will have disappeared by the end of next September, to which anticipation practical effect has been given by estimating the land-revenue for the coming year at one crore and a quarter above the amount which it is expected will have been realized during the current year. Turning to the figures for that year, it is a remarkable and satisfactory feature in the revised estimates that the loss in land-revenue due to the failure of the rains will have been very largely recouped by gain in the revenue derived from Railways and Irrigation; and we may hope that whenever a disastrous agricultural season occurs, there will be some considerable compensation, from a financial point of view, in the additional receipts derived from these two sources. It is also a matter of congratulation that in spite of the unexpected excess of over $1\frac{1}{4}$ million sterling expended on famine relief, the surplus at the end of the current year will be nearly, if not quite, as great as was estimated when no fears of such a disastrous season were entertained. On the other hand, that a considerable portion of the surplus is due to what may be fairly described as an accidental saving in military expenditure and the unfortunate, though necessary, reduction in the expenditure on Buildings and Roads, is a fact that cannot be ignored. One of the many lamentable effects of an unexpected deficiency in the funds at the disposal of the Government of India, whether that deficiency be due to famine or war, has always been the inevitable reduction made in the expenditure on that useful object, Roads and Buildings. The expenditure on Roads and Buildings presents few of the attractive features of the outlay on Railways and Irrigation, but the material wealth and comfort of the people are largely affected by it. It is then all the more satisfactory to note that the expenditure on Civil Works has risen from 447 lakhs in 1896-97 to 477 lakhs in the current year and to 494 lakhs, the estimated expenditure on this object in the present Budget.

"The repeated occurrence of failures in the seasonal rains and the calamitous and widespread results arising therefrom naturally suggest inquiry as to the extent to which the Government of India proposes to devote its resources to the development of Railways and Irrigation, the two great weapons with which this country can strive to avert the attacks of famine, and mitigate their

severity. Unmixed satisfaction must be felt by all that in spite of the difficulties arising from the demands on account of famine relief during the current year and the year before us, the outlay on Railways will, even making allowance for 'the arrears of the old programme handed on to the new one,' referred to by Sir James Westland, exceed the expenditure foreshadowed in the last triennial programme of capital outlay on Railways prepared in November, 1898.

"The North-West Provinces and Oudh are singularly favoured in the extent of their railway system, but there is admittedly still room for progress, and the Province has welcomed the construction of the line from Ghaziabad to Moradabad and looks forward to the early authorization of the commencement of work on the line from Shekohabad to Farrukhabad and the Agra and Delhi chord line. Still more gratifying is it to learn that Your Excellency's Government has resolved in spite of all difficulties to raise the grant for capital expenditure on Irrigation by one-third above the amount provided by the practice of recent years. The marvellous prosperity of a tract of country enjoying the benefits of irrigation when there has been a failure of the annual rains, as compared with the unhappy condition of other areas even in its immediate neighbourhood and subject to the same climatic conditions, which are not so fortunate, affords ample proof of the wisdom of making every effort to provide funds for this branch of expenditure. Amongst the projects mentioned in the programme of Irrigation Works to be undertaken in the coming year I am glad to find mentioned the completion of the Fatehpur Branch of the Lower Ganges Canal, which will give water to a tract that suffered severely from the want of it in 1897.

"My Lord, we have been informed that the heavy demands made by the various provinces for their support against the calamity of famine will be met in full and that a helping hand will be given to the Native States that are in the same difficulties. That Your Excellency's Government has been able to meet this strain on its resources without either calling on the tax-payers to assist by fresh contributions to the public treasury or asking for aid elsewhere must be a source of legitimate pride to all who feel an interest in the welfare of this great country."

The Hon'ble KUNWAR SIR HARNAM SINGH said:—"My Lord, it is gratifying to observe that the Finance Member has been able to present to the Council a Financial Statement of the most remarkable character. It is remarkable in more than one sense. There is not only no deficit, but there is an actual surplus and we are led to expect a brighter future. The unique character of the statement would have been complete if some of the taxes which are pressing heavily on the people had been taken away. These would have been taken away I am sure, had it not been for the large famine expenditure which has been incurred. When it was announced that India was suffering from an unparalleled famine, people were apprehensive that there would be a heavy deficit; but the financial gloom has been dissipated by the waving of the magic wand of the Finance Member, and despondency has been converted into hopefulness. People's anxiety has been greatly relieved and the conspicuous ability with which the Indian finances have been managed during the passing year has been keenly appreciated.

"I am glad to note that it has been pointed out that the unappropriated balance of the famine grant has in recent years been employed on works which are not exclusively of a protective, *i.e.*, famine character; and that it has now been decided that protective works, the cost of which may be charged against the famine grant, shall include only such works as may be sanctioned solely and exclusively in view of their value as a protection from famine. This is a welcome departure, and the decision which has been arrived at will be calculated to remove a great deal of misapprehension which exists on the subject. In normal years there will be a large balance when there is no direct expenditure on famine. The Finance Member proposes to show this unappropriated balance under the heading of Reduction or Avoidance of debt. I do not clearly understand in what respect this would be an improvement upon the former heading of Reduction of Debt. The heading proposed will to my mind be as puzzling as the former one.

"We are told that in a normal year in which ordinary revenue and expenditure balanced, the Government of India instead of raising a loan of three crores

for public works would be able to reduce the three crores by the unappropriated balance, say a crore, of the famine grant. Could not the same result be obtained by investing the unappropriated balance in a separate fund, which may be called the Famine Fund, and appropriating a certain definite portion, say one crore, in aid of public works if they are of a protective, *i. e.*, famine character ? The advantage of a separate fund would be, I venture to think, twofold. First, the practice pointed out by the Finance Member of charging against it expenditure which is not exclusively of a famine character, will be guarded against ; and second, after defraying expenditure for protective works, a balance, however small, will be left behind to form the nucleus of a permanent Famine Fund, which will increase from year to year, when there is no direct expenditure on famine, and the expenditure on protective work diminishes. In making this suggestion I bear in mind the fact that substantially there would be no difference as regards the appropriation of the surplus of the famine grant, but still the method I venture to suggest might be calculated to create a better understanding of the famine policy of the Government of India.

" It seems to me that in the Budget Estimate for the coming year a rather sanguine view has been taken of our sources of revenue. These sources do not appear to me to be so elastic as they are taken to be. I am rather doubtful as to whether these sources are capable of yielding the revenue which has been estimated. I will give an illustration of what I mean. Land revenue has been taken at one crore and a quarter higher in the budget than in the revised estimate. It is hoped that famine will have disappeared by the end of next September. The increases in the different provinces are, Bombay 67 lakhs, Madras 31 lakhs, and Punjab 27 lakhs. I have considerable misgivings as regards the estimated increase of revenue in the Punjab, the Province I have the honor to represent. In 1896-97 the total land revenue realisations on account of the demand of the year amounted to 2 crores and 32 lakhs. The collections were abnormally low in consequence of the suspensions of fixed land revenue allowed on account of drought. The realisations of the next year amounted to 2 crores 51 lakhs. In the following year, which was a year of comparative plenty, following a year of drought and famine, the realizations came up to 2 crores and 63 lakhs. I would call the attention of Your Excellency to the rate of increase of revenue during these three years. The first year was a year of drought; in the second year the pressure of famine had considerably diminished, but the Province had not recovered its normal condition; the third year was a year of plenty, the arrears of revenue were to a great extent realized and the Province showed a large increase of revenue. I find from the last Punjab Administration Report that the increase during that year was due partly to a rise in the income from fluctuating land revenue occasioned by favourable seasons and good canal working, and partly to large receipts on account of *nazarana* and sales of land on the Chenab Canal. In the second year there was an increase of about 18 lakhs, and in the third year, as compared with the previous year, there was an increase of about 12 lakhs. If the large receipts on account of *nazarana* and sales of land in the third year be taken away from these 12 lakhs, the increase shewn would be considerably diminished. I am inclined to think, my Lord, that the realizations of the third year were abnormal, and that the Budget estimate ought not to have been based on the collections of this year. In 1897 there was only an increase of 18 lakhs as compared with the previous year, and this increase might be taken as a standard; but then it must be considered that the produce of the land would be greatly diminished after a second famine within a period of three years. The mortality of the agricultural cattle will be considerable; those which were spared at the first famine would not be spared at the second and an adequate supply of fresh cattle would be difficult to be obtained in the coming year. Large tracts of land will be lying waste and revenue realizations are sure to be affected. It should also be borne in mind that low prices following on a plentiful harvest always reduce the receipts of cultivators and their decreased income naturally influences the revenue collections. It is these considerations which lead me to think that the increase of land revenue in the Punjab amounting to 27 lakhs is, in my humble opinion, overestimated. What I have said with regard to the Punjab applies *mutatis mutandis* to other Provinces affected with famine.

"I note with satisfaction that rupees one crore has been allotted to canals and tanks for irrigation purposes.

"There can be no question that the Tariff Amendment Act will be productive of the very best results. Few measures have ever passed through this Council, to quote Your Excellency's words, 'with a greater weight of a qualified and homogeneous opinion behind them.' The Act was passed with the object of relieving India from an external competition which was shown to have already produced serious consequences upon Indian agriculture and manufacture, and which if unarrested was likely to produce a continuous and dangerous decline. An industrial and agrarian grievance was redressed by the passing of this Act and sanguine hopes were entertained that the Act would encourage and stimulate the development of an important indigenous industry which was on the verge of being extinguished. Sufficient experience has not yet been obtained of the operation of the measure to enable the Government of India to form a correct estimate of its consequences. The countervailing duties on bounty-fed beet sugar came into force in the current year, practically not until May. It is true, as the Hon'ble Finance Minister says, that trade was conducted during the latter part of last year under abnormal conditions of plague, or of plague and famine, and it is impossible to look to this period as throwing light on the effect of the measure under normal conditions. But still as the figures from May 1899 to January 1900 are available, a rough idea might have been given with regard to the immediate results of the measure. It has been shown that prices have been influenced by the Act. The rise in prices may have benefited China and Java, but it has not been, as it will be readily admitted, to the interest of Indian consumers. The question to determine is how far the Act has benefited Indian producers and what stimulus has been given to native refining industries. It is impossible, the Finance Minister tells us, to answer that question at present. Till that question is satisfactorily settled it would be idle to speculate on the benefits to be derived from the measure.

"I believe, my Lord, that the introduction of the gold standard and the gold currency will have far-reaching effects. It is quite true that India has at length reached the object which she is struggling for years to attain. By the introduction of this measure a practical fixity in exchange is expected to be obtained. This is certainly to the immense advantage of both the Government and the people. But, my Lord, permit me to say that this economic legislation is entirely new to the country. The people have been accustomed for centuries to the silver currency and it will take them some time to appreciate the advantages of the gold currency. The full effect of the measure passed on the 15th September to make gold legal tender in India has not yet been realized by the people. I am aware that Government has no intention of forcing gold upon a reluctant public, but still I take the liberty of saying that the recent notification issued with the object of familiarising people with gold currency by cashing postal orders in Presidency-towns of the value of Rs. 15 or £1 in gold coins, and the proposal to pay certain salaries in gold cannot but be viewed with misgivings. A sovereign is not sold for Rs. 15 in the bazar. The value varies with the current rate of exchange. The value of a sovereign will thus be sometimes more and sometimes less than Rs. 15. At present, after the issue of the Postal notification, a sovereign is sold in the bazar, I am told, with a *batta*, that is to say, its full value is not Rs. 15. The money-changers are shrewd men of business and they would on no account cash a sovereign, unless they see that some advantage is to be gained by paying the full value Ordinary people have dealings with these money-changers and seldom or never go to the Currency Office to cash their sovereigns. When such is the situation, and when no absolute fixity of exchange has yet been obtained, would it not be expedient to take precautionary measures, and instead of pushing on gold currency, to introduce it gradually in the market after familiarising the people with its advantages? I have no doubt that the people will take to it after a time, but just now the experiment is novel and it is not looked upon with a favourable eye. There is another point in this connection to which I wish to draw the attention of the Council. There is a tendency for hoarding which will be encouraged and not checked by the present measure. I believe, however, that when sovereigns are freely and widely circulated and are easily sold in the bazar for their full value, this vicious habit will be eradicated.

"My Lord, what has been observed by the Hon'ble Mr. Bose in regard to the

Revenue Settlement in his Province deserves careful consideration by the Government of India. I am bound to admit that in my Province the Government has been very liberal, and no one can reasonably complain of heavy assessment. I am sure that in this the Hon'ble Mr. Ibbetson will bear me out. I would, however, point out in the interest of both landlord and tenants that it is desirable that the revenue settlement should be of at least thirty years' duration. I am strongly of opinion that when a district is properly surveyed, rights recorded, and lands classified, it should not be disturbed again with the view of increasing the revenue demand at the expiry of the settlement period, unless sufficient reasons, such as extension of cultivation and appreciable rise in prices of food grain, are shown. As to what trouble and harassment the people are subjected at the time of fresh settlement I would quote the words of Sir A. Colvin :—

'In 1874, twenty-six years will have elapsed from the date on which the two first of the districts now comprised in North-West Provinces were placed in the hands of a Settlement-officer. Others were begun twelve years ago and are not yet sanctioned; one of these is not yet even completed. These facts are significant to those who know what the settlement of a district means; the value of property depreciated, until the exact amount of the new assessment is declared, credit affected, heart-burning and irritation between landlord and tenant, suspicion of the intentions of the Government, a host of official underlings scattered broadcast over the vexed villages. Nothing can equal the injury inflicted by a slow, uncertain settlement, dragging its length along, obstructed by conflicting orders and harassed by successive administrations, and finally threatened with annihilation at the moment when it seems to have nearly finished its course. —Little wonder that we hear of the land needing rest!'

"So far as I understand Government policy has of late been calculated to avoid these harassments to the people, but I venture to think, my Lord, that a definite declaration should be made on the subject by the Government.

"My Lord, it is a matter for congratulation that, notwithstanding the excessive expenditure entailed by famine, the Government of India has not found it necessary to resort to any fresh taxation. It cannot, however, be safely said that the finances of the Indian Empire are in a sound condition. No country would be justified in boasting that its finances are healthy and prosperous unless it can show that in time of emergency it can fall back upon a tax or taxes which would yield sufficient revenue to meet the deficit. I cannot shut my eyes to the fact that India is heavily taxed and that any further taxation would be repulsive to the people.

"Let us hope, however, that the country will soon emerge from plague and famine; and with the free and wide circulation of gold, the disappearance of fluctuations in exchange and the careful husbanding of the resources of the Empire, our financial stability will be fully established, and Your Excellency's Government will then be enabled to give relief to the people in the way of reducing taxation, *e.g.*, the salt tax and the lower range of the income tax. Such a boon would be hailed by the whole country and would signalise Your Excellency's administration in the annals of India."

The Hon'ble RAI BAHADUR ANANDA CHARLU said :—"No man with a soul, not altogether dead to all finer sensibilities, will hesitate to give Your Excellency's Government the very highest praise for cheerfully and unreservedly taking upon your shoulders the entire burden of the famine expenditure in the present crisis. There are, indeed, in the Budget before us. some clear indications—I should say for the first time perhaps—of how the fund, originally designed solely as an insurance against famine and asserted year after year as applied to that object, was not always administered in *strict* adherence to principles initially declared. But, in the face of the hearty consecration, as it were, of the entire available resources of the State, by Your Excellency's Government, to safe-guard life in the present juncture and in the face of the no less colossal effort made by your predecessor's Government to seize the Indian Hydra by the throat and strangle it year before last, even the worst caviller will have no heart and no wish to quarrel with the past doings. There is further little use in crying over spilt milk. A

word or two may not, however, be out of place in regard to the future treatment of famine grants. In this view I, for one, will summon up courage to enquire whether, in order to minimise such heroic resolves and such wholesale appropriation as in the present trial, Your Excellency's Government will not, once and for all, debar future possibilities of deflection, by constituting them into what in law is termed trust property, clothed with all the rights to be kept apart, to be invested, to made to multiply, to be immune from all loss and to have all damage made good from funds, for the relief of which they have been drawn upon. A suggestion, somewhat of this kind, made when the fund was first created, was met with an outburst of temper and it was roundly denounced as amounting to a calumny; but the circumstance did not prevent the happening of precisely what had been feared. The process of laying unappropriated balances of famine grants under contribution for other than famine works, on the argument of avoidance of debt, is open to four salient objections. First, the sums so taken out do not revert *with interest or profits.* Secondly, the loss entailed by miscalculations or by other causes is made a charge on the fund. Thirdly, it virtually reduces the famine grant to the residue, *i.e.*, by so much as is drawn away from it. Lastly, by affording facilities to borrow without having to pay interest or profits, the usual unconscious increase in the readiness to borrow would follow - often by discounting fears which the absence of such facilities would inevitably accentuate. The best of men and the most calculating of men have not been proof against the insensible growth of this insidious tendency to be-little after-consequences in such circumstances; and it is best to reckon with this datum of wide-spread human nature.

"Another point which is connected with famine and which famine brings into disagreeable prominence is that something must be radically wrong when the failure of rain means failure of irrigation even in extensive tracts set down as tank-fed tracts, which are therefore not solely dependent—*mana-vari* as we call them in our Presidency—on the fall of rain. Now that it is declared in the budget that the programme of purely protective Railway works has been practically exhausted, one big drain on the famine grant may be said to be at an end, and the prospects of irrigation may be taken vastly to brighten; for there has all along been a contrast, as it was bound to be, between the way the claims of the railway and the claims of irrigation were respectively met. I say 'as it was bound to be,' because the cause of railway is virtually the cause of enterprise, of commerce, of manufacture, of railway rolling stock and of ambitious engineering; and the representatives of each and all of these necessarily unite their lusty voices and focus their cultured and energetic intelligence on it—a species of advantage which the unlettered and enert peasantry can never hope to command.

"The cause of the raiyat population must, of course, be the cause of the whole staff of executive Government, embracing all grades from the topmost to the lowest round in the ladder; and it augurs well for that population that, even in this year of sore and straitened circumstances, no less than a crore of rupees is granted for their special benefit, although large slices of it are earmarked for specific irrigation works and although only a small fraction is available this year for the creation, extension and the repairs of the vast number of tanks and reservoirs, which play no insignificant part in aggravating or diminishing the ill-consequences of absent rains. Let me take my own Presidency for an example. There a large part, if not the major part, is dependent on tanks, reservoirs and similar contrivances to catch and collect water: and yet it is a mere toss-up whether they should be empty and bring on famine for want of rains as in the year before last or whether they are filled, partially at least, as this year and render scarcity scarce. Such instances cannot but prove that something more than the excavation of canals on a grand scale remains to be done and re-done continuously and at frequent cost. An indispensible condition precedent for realising the actual needs in this direction is the establishment of a system, under which every year statements, accessible to the raiyats concerned, shall be prepared for each tank or reservoir, irrespective of its size and irrespective of the obscurity of the village to which it belongs, showing (1) its traditional or recorded capacity to hold water, (2) the actual

quantity it did hold, (3) if the actuals fall short of the traditional or recorded quantities, the *reasons* for the same and the suggestions for their *remedy*, and (4) whether it is in good repair and whether any improvement or extension is advantageously possible. Along with these statements, reports must also be called for as to the several places where facilities exist for a series of wells by way of a complement of irrigational contrivances, in order that, whenever the clouds play us false, we may penetrate beneath the soil and evoke the services of the water-supply available there. There is indeed the system known as *Varakam* under which individual raiyats, who choose to do so, might obtain from Government monetary help for sinking a well here and a well there. But instances of such solitary or isolated action can never suffice, and it is beset further with difficulties which either greatly discourage or effectually frustrate it. The thing is fully worthy of systematic or organised effort on the part of Government. To admit of the creation of a system of wells, in the requisite adequacy and in full efficiency, the statements and reports I have alluded to ought to be embodied in our Yellow Book in full detail and must form the basis of the estimates in respect of irrigation by the Government of India, which is the authority, and the sole authority, to provide funds for their execution. Unless I am greatly mistaken, materials in this amplitude and minuteness happen not to be within the reach of those who are the ultimate dispensers of the funds which must be forthcoming. It is time, high time, that the rapid recurrence of famine, which we are bitterly experiencing, should direct and concentrate the entire forces of the executive Government on how best to render irrigation as complete as there is room for rendering it so. If there is force in the remark that the raiyats should take the precaution to lay by a store of money or grain against the possible dearth of the ensuing year, there is no less force in holding that every year the purveyors of water for purposes of agriculture should be equally providential in the matter of supply, expected of them.

"As bearing on the same subject of famine, the question of a permanent settlement of the land assessment is of vital importance. It was mooted so long ago as within the first few years of this country passing under the direct rule of the Queen-Empress; and there was a perfect accord to the effect that a fixed rent, fixed in perpetuity, should alone be claimable by the Government. Amid much difference of opinion on a number of other points of no less weight, this one was, I thought, conceded on all hands—the only reason why the thing was not accomplished at once was that some years should elapse before the full rent-value of all tracts was ascertained, so as to form the safe basis of action. A period of over five and thirty years has since elapsed; but the subject has again passed into the arena of controversy. It is neither wise nor expedient that an expression of opinion in the shape of a final verdict should be sought in the present disputatious stage of it.

"But one thing must be stated unequivocally, *viz.*, that, so far as the classification of the soil and the Government share of the produce are concerned, a settlement should be finally and at once made and that all future revisions should solely depend on a manifest, steady and tangible rise in prices over a reasonable number of years so as to produce the conviction that the old order has substantially given place to the new. In my humble judgment, nothing short of this, as the minimum of lasting concession, would restore to the raiyat the benefits he once enjoyed of leaving fallow, for some years, land, impoverished by continual cultivation and of procuring at (to him) a heavy cost, grazing and fodder for cattle, and fuel, timber and other materials which he had been getting in former times without paying for them. So long as he is dependent on land alone, as he seems destined to do for a long time to come, and so long as he must look to land alone for all his comforts and conveniences—not to say, for living up to the standard almost forced upon him as a consequence of influences unknown to him in days gone by—*this is the least* to be assured and ensured to him and his children. I do not, of course, say that this will bring on the millennium, but I venture to say this, that there is little chance of happier days coming to him, unless and until this reform is wrought.

"There are some other points, my Lord, on which I would fain make a few

remarks; but I desist as I fear that I have already exceeded the limits of indulgence in making my humble representations—I will not say my criticism—on the most absorbing topic of the moment."

The Hon'ble THE MAHARAJA OF DARBHANGA said:—"My Lord, in accordance with the practice which usage has sanctioned in this Council, I desire to take advantage of the opportunity afforded by the presentation of the Budget Statement to place before Your Excellency's Government certain observations in matters of domestic and internal policy which may, I trust, meet with favourable consideration at your hands.

"It may be that I shall be compelled to trespass for some little time upon Your Excellency's time, but I venture, by way of extenuation, to plead the importance of the subjects I am about to discuss, and I am still further encouraged to proceed by the invariable sympathy and support which Your Excellency has accorded to all questions concerning the development of the resources of the country.

"In the first place, I would ask permission, my Lord, to say a few words with regard to the question of Land Settlement, and I would direct my remarks more particularly to the Central Provinces and Assam. It has been a pleasure to me to listen to the interesting speech of my hon'ble friend, Mr. Bose, and if I may say so, he has dealt with his subject in a masterly and exhaustive fashion. I fear that it cannot be denied that there is a strong feeling in certain quarters to the effect that the present policy stands in serious need of revision. The cry is not for the extension to the other parts of India of a permanent settlement similar to that which prevails in Bengal. It is felt, even by those who are the strongest advocates of the zamíndárí system, that this is a question which has been once for all decided by the Secretary of State for India. No useful purpose can be served by a futile attempt to re-open it, but, on the other hand, it is submitted that concessions may be reasonably and fairly made by Government without in any way abandoning the position they have seen fit to take up. It is universally admitted, I venture to think, that the only paying fiscal policy is that which imposes the most moderate rate consistent with the conservation of the finances of the State. I do not dwell upon this or upon other points which occur to me, for they have all been most ably elaborated by my hon'ble friend who represents the Central Provinces. But I should like to recapitulate, as briefly as possible, in the form of heads, the suggestions which I would lay before Government in this connection.

"First, the period of settlement should, except in cases when waste land villages have been newly reclaimed, or when lands have been only recently opened up and brought into communication with the centres of trade, be definitely fixed at a period not less than 30 years.

"Secondly, the revenue should in no case be enhanced by more than 50 per cent. over and above the existing demand at any revision of settlement.

"Thirdly, the land revenue should in no case be more than half the total assets of the village.

"Fourthly, the Government should not draw from the landholders more than 60 per cent. of the village income including cesses and rates of all kinds.

"All these, my Lord, are points with regard to which strong feeling has been expressed with reference to the Central Provinces. In Cachar also I have reason to believe that very strong feeling has been manifested with regard to the re-settlement recently sanctioned, and I find that the grounds of opposition are almost identical with those advanced by the inhabitants of the Central Provinces, allowance being of course made for the differences caused by local circumstances and conditions of tenure. Nor is this feeling of what I must call dissatisfaction confined in Cachar to the general landholding and agricultural population. My information goes that the Indian Tea Association, representing a most influential section of the community, have also grave objection to take to the excessive nature of the uniform assessment of eleven annas per bigha which has been sanctioned on tea lands as compared with the new rates on rice lands, which range from four to eleven annas per bigha. On the general question I will do no more than call

attention to the criticisms of Mr. R. C. Dutt, whose knowledge of the country is on a par with his experience of revenue and settlement work: but it is hardly likely that his observations can be all exaggerated and beside the mark. There must be a mean, and I would submit that that mean can be arrived at without injury to the interests of the Government and without hardship to those whose lands are assessed. I would venture to suggest that the best method of settling the difference of opinion and of placing matters upon a satisfactory footing is the appointment of a Commission. It might be presided over by the Chief Commissioners of the Provinces concerned, or in their default by the local Directors of Land Records and Agriculture; and it might be composed of two European and two native members. The grievances, such as they are, may be enquired into, and a large amount of important information would probably be collected, which the Government would find of value in making resettlements in the future. At all events, I submit that no harm can be done by the appointment of such a Commission and I am confident that, on the contrary, a considerable amount of good will result.

"I now pass on to the question of railways which occupy as usual a very important place in the Budget Statement. I notice that the Government have decided not to proceed with the construction of the Sakri-Joynagar line, but to leave it to the Bengal and North-Western Railway Company to complete. I have, of course, no objection to offer to the arrangement, but I would desire to make one suggestion in connection with it. In my opinion a limit of time should be assigned and the Railway Company should be informed that the work must be finished within that period. Unless this is done, the project will be hung up indefinitely and the development of a very promising tract of country may be needlessly delayed. If the Railway Company are unable to act up to the terms of the contract, I would suggest that the aid of the private capitalists should be invoked; and I make no doubt the Government would find that they had not to ask twice from such a source.

"Before I leave the subject I should like to add that I have observed with much satisfaction that the demand of the Bengal-Nagpur Railway upon the Famine Insurance Fund, towards meeting the charge of interest on its capital, has been reduced, owing to the improved traffic receipts and net earnings of the undertaking, to a payment of only Rs. 7,63,500 during the past year The receipts of this Railway, it is to be hoped, will improve still further when the undertaking obtains free access on its own account to the Port of Calcutta. But it serves certain districts where cultivation is scanty and the population sparse, and it is doubtful whether the local traffic on many sections will be of much account. The question therefore arises, whether the Government should not endeavour, with the opening of the line to Calcutta, to obtain a through traffic to and from Bombay Presidency. Mineral is the traffic which at once suggest itself as likely to be of benefit to the undertaking and which, owing to the long lead, may possibly be carried at rates at which the Government regulations have hitherto prevented the Railway working, but which would be remunerative. I learn that it practically costs Rs. 11-3-0 to transport and handle a ton of coal between Assansol and Bombay *viâ* Calcutta. There is thereafter the haulage of the ghâts for distribution along the Great Indian Peninsula Railway, which must add another rupee at least, if not more, to the cost. But the obstruction that the management of the Great Indian Peninsula line have hitherto placed in the way of the traffic by the high rates of carriage they demand, stands a fair chance of removal after the 30th June, when the Government comes into possession of the Great Indian Peninsula Railway, and I would invite the Government with all respect to forthwith consider, on behalf of the European and native mining interests of Bengal, the advisability of adjusting rates so that the distribution of coal by the Railway system may come within the reach of the industry and promote the use of coal throughout the country. A transit charge of Rs. 11-3 per ton would be equal to about 1·15 of a pie per maund per mile on the land journey from Assansol to Bombay *viâ* Nagpur, and I venture to think this is a rate at which the Railway could work. I should regard it, my Lord, as one of the greatest reforms that could be brought about for the benefit of those engaged in agricultural pursuit and for the exporters of produce, if we could induce and encourage agriculturists

to restore cow manure to the soil instead of using it for fuel, and it appears to me that we could go far towards effecting this reform if we could arrange for a supply of cheap coal, or soft coke, from the coal-fields of Bengal, at a low rate of railway freight. The benefit derivable from the application of natural animal manure to the land needs no explanation, but I would direct the attention of those who may be in any way sceptical of the possibility of inducing agriculturists to change their system of disposing of cow manure, to the results that have been obtained at Poona, and to the system that the raiyats have adopted there.

"These remarks on agricultural pursuits lead me to enquire whether the time has not come when the Agricultural Department of the Government of India, and of the Local Governments might not be enlarged into something more than a mere Statistical Bureau of Land Records. Cannot the Government undertake to establish a College on a larger scale, or a Department to which agriculturists and others interested in the industrial development of this country may look for scientific information and help? It has been repeatedly proved that the initiation of scientific and practical investigations and experiments is beyond the means of individuals or even of groups of individuals, and so fully has this been recognised on the continent of Europe that it may be said the sugar, chemical, artificial indigo and the other industries established there have been brought into their present prominent position under the careful nursing and tuition of the State. In a large country like India, where the forces of nature are responsible for so many calamities, it would seem to be particularly necessary that there should be some such organisation to enquire and deal with diseases and blights, and to investigate and suggest new industries, by the production of new crops, or by the better use of the resources available. In connection with the former we have dangers besetting the prosperity of indigo, sugar-cane, betel-nut, castor oil and other crops, making it most desirable that the errors that may have been committed in cultivation or production should be corrected before competition from other countries has secured the trade. I am fully aware, my Lord, of the good work that has been inaugurated and carried out by Dr. George Watt, Director of the Economic Museum in Calcutta, and I am glad of this opportunity of giving publicity to it. But working (as I understand he is doing) practically single handed, and compelled to scour the country for cases for investigation in his laboratory, he can only do a limited amount of work. The marvel is the amount of work he has been able to undertake. Is it too ambitious an idea to picture a Bureau emerging from this most excellent foundation, having on its establishment a large staff of scientific professors and overseers, whose services might be placed at the disposal of Assocations, or of individuals, and whose chief aim and existence would be to develop the agricultural and commercial pursuits of the country? I do not presume to do any more than touch this chord, for under Your Excellency's master hand, it is not difficult to conceive the foundation of a great institution of the kind, formed on the most modern principles, and resulting in far-reaching benefits. But there is no use in growing crops that cannot be transported from locality to locality, and to the sea-board, and therefore it is equally necessary, as I have already ventured to point out, that an adjustment of the railway rates should be taken in hand if the trade of the country is to be really adequately developed.

"As an advocate of an extension of the railway system throughout India, I confess my reluctance to check any railway enterprise; but when there seems to be a difficulty in undertaking new schemes until the settled programme which the Government of India has already laid down is fulfilled, would it not be reasonable to postpone those schemes which on further enquiry appear to be less desirable? I refer especially to the hill sections and northern section of the Assam-Bengal Railway, the cost of which is apparently very much heavier than the original estimate, and the usefulness of which, owing to the character of the country traversed, is now apparently exceedingly doubtful. I need not explain this in further detail, as Your Excellency has very fortunately only recently visited the province of Assam and travelled on a large part of this line of railway. But I would beg leave to point out that the money now being devoted to the construction of that line of railway might be much more profitably spent in bringing the Bengal-Nagpur Railway into immediate touch with the coal-fields of Jherria, and in

constructing a local line by that undertaking to bring the mineral from Jherria and the Burrakar coal-fields direct to Calcutta.

"I do not wish, my Lord, to venture at any length upon the treacherous ground of the currency question, but I would say that I approve of that part of the report of the Currency Commission in which the suggestion was made that profit to be derived from the coining of silver should be suspended in order to meet the cost of acquiring a gold reserve, but it does not, however, seem to me clear (if I may say so) in what way the Government of India will decide when it is necessary to add more rupees of new coinage to the circulation so as not to hamper trade by refusing rupees for gold and notes. The Hon'ble Member in charge of the Finances states that 10½ crores of rupees have been added to the circulation this year and he looks forward to a further addition during the coming year of a comparatively small amount. Who is to decide, and how is the decision to be arrived at, as to how and when the currency is to be increased? This seems to me to be one of the most important questions associated with our currency system, and to my mind it imposes upon the Government the necessity of maintaining close relations with the commercial community to avoid inconvenience if not a catastrophe to trade. How are these relations, I would ask, to be maintained! The explanation given by the Hon'ble Member in paragraphs 32 and 33 of his statement clearly explains the reasons which have led the Secretary of State to suspend operations under the Gold Note Act (II of 1898), and must disabuse the minds of his critics of any selfish intention on his part of any coercion from the city of London as has been suggested in some quarters. But it exhibits a danger to trade associated with a managed currency and emphasises the importance of the question I have just asked.

"I have but little more to add. But I should be sorry to bring my remarks to an end without offering to Your Excellency the most sincere thanks of those whom I represent for the action of the Government in withdrawing the Telegraphic Press Messages Bill. We all know very well that if Your Excellency had insisted upon passing the Bill, the Bill would have been passed in spite of all objection and all protest: and it is on that account that we are especially grateful for the concession made. Nothing could have been calculated to give more general satisfaction than Your Excellency's frank pronouncement: and there are no two opinions that the agitation for the cheapening of the overland telegraphic tariff, which Your Excellency is so powerfully aiding, will effect far more appropriately the object of the proposed legislation than the legislation itself could ever had done. I had not the opportunity upon a previous occasion of giving expression to these sentiments, but I think I should be wanting in my duty if I failed to do so now. It is not so much legislation of which the country is in need as a systematic encouragement of commercial projects. Development and expansion are the great wants of India: and she is now to be congratulated upon having secured a ruler to whom both these objects are so deeply at heart."

The Hon'ble MR. REES said:—"My Lord, as the official representative from Madras, I may perhaps be permitted to regret that the pressure of famine charges this year has constrained the Government of India to prescribe a scale of provincial expenditure, which His Excellency the Governor of Madras in Council thinks will adversely affect the Local Administration. That regret I am sure is shared to the fullest extent by Your Excellency's Government, while the necessity is loyally accepted by the Government of Fort St. George, which I see from the Financial Statement contributes to the Revised estimates increases under Salt and Customs Revenue, to the Budget estimates a large increase under Land Revenue, savings under Plague, and in expenditure under Land Revenue, at the expense of postponing improvements, while it maintains its lead in local enterprise to which Your Excellency publicly testified in on a recent occasion by proceeding with its Local Board Railway extensions.

"In every Budget Statement for these last five years I have seen similar proofs of the general prosperity, well being and good government of the Madras Presidency, and it was without any jealousy that I witnessed last Wednesday the evident glee of my hon'ble friend on my left, on hearing from the lips of the Finance Minister the praises of the young but prosperous province of Burma.

" The Railway programme is necessarily affected like everything else by the famine, but it is extremely satisfactory that the loss on the direct Railway account has been reduced to so small a sum as $1\frac{1}{4}$ lakhs, and it must be admitted that the Railways, in spite of a regrettable deficiency of rolling stock, have again saved the situation so far as the famine campaign is concerned; while the programme of construction for the coming year is perhaps as ambitious as can be expected, seeing that it is to be carried out from funds to be borrowed in India.

" There are many items in this chapter in which Madras is closely concerned. That great undertaking, the East Coast Railway, being opened, and a suitable provision being made for the Godavery Bridge, it only remains to arrive at a satisfactory agreement as regards the working of the line, a matter still under consideration.

" The Madura-Pamban line is not, as might be inferred from the Hon'ble Public Works Member's Memorandum, to be deferred till 1901-1902, but a special grant of 10 lakhs is made for the coming year, and the lump grant of 25 lakhs for South Indian and Madras Railway (*i.e.*, Calicut-Cannanore) extensions is raised to $27\frac{1}{2}$ lakhs. For the British Section of the Tinnevelly-Travancore Railway a provision of 8 lakhs is made, while His Highness the Maharaja of Travancore has advanced 17 lakhs for the construction of the section within his territory, a sum to be recouped to the Durbar, as soon as the South Indian Railway shall have raised the contemplated debentures in the London market.

" His Highness the Raja of Cochin meanwhile is constructing at his own cost the line from the Madras Railway to his capital.

" Thus by leading lives of equal dignity and simplicity amongst their own people, for whose benefit and not for their personal pleasures they expend their ample revenues, these admirable princes give practical proofs of their worthiness to be treated, in Your Excellency's happy phrase, as colleagues in the administration of the Empire.

" Madras will learn with satisfaction that the earthwork of the Vizagapatam-Raipur Railway is to be taken in hand as a famine work in Raipur. As the Madras Chamber of Commerce observes, the completion of this connection is very necessary in order to offer what are practically the remotest localities in India the advantages of the really not far distant ports of the Coromandel Coast. Twenty-five years ago when we sent a regiment from Vizagapatam to deal with a little disturbance in Bustar, no one in those parts dreamt that within the century we should be commencing a railway through its fastnesses. I believe this line will pay without a guarantee.

" The Madura tramways are delayed on account of a legal difficulty. As they will serve important agricultural and planting districts, no effort will, I am sure, be spared by the Government of India to overcome, what is apparently, a technical obstacle.

" Hon'ble Members who have preceded me have dealt fully with the famine. from which it is unfortunately now clear that Madras will not be exempt, and with its effect on the finances of the Empire. I have had, and have taken, the opportunity to visit the worst centres of the great famines of 1876-77, 1896-97, and 1899-1900. Mysore, in the first, was indeed a scene of death, desolation, and despair. Certain portions of the Central Provinces, in the second, exhibited, owing to difficulties incident to the treatment for the first time by the British Government of a famine, among the backward races of this province, painful scenes, alongside active and on the whole successful efforts, to grant relief, while throughout the more advanced North-West Provinces the administration was able to cope with the problem set before it. The Central Provinces, again the most stricken part of India, in the third famine, while in certain districts not less than 33 per cent. of the whole population are on relief, an unprecedented figure, yet present a scene of such perfectly organized relief, that if a stranger without knowledge of the existence of a famine, suddenly visited the works, he would not know to what cause to attribute the activity in road-making, tank-digging and other operations of the like nature, upon which upwards of one-third of the population is employed.

" So perfect now is the system that the only doubt suggested is whether it is not too perfect. The greatest of all writers on agriculture said: ' The Father of

Heaven willed that the way of cultivation should not be easy.' The question is how far a Government which is the father and mother of the Indian people, as they freely allow, for their gratitude is hardly less than their benefits, and finds expression through the mouths of their press and their princes—how far that Government can declare that the way of cultivation shall, regardless of seasons, be easy. Of course there is apart from the all-powerful claim of humanity the practical asset, that generous relief recoups its cost in the speedy recovery of the people. We had proof of that in the last famine, and shall have it again.

"My Lord, I was somewhat astonished to hear my hon'ble friend Mr. Bose dwell on the hardships of the Central Provinces settlement, which is the lightest in India. It is also the lightest taxed province all round, the proportion to Madras, for instance, being as 22 to 41 per head of the population. Those portions moreover which are most afflicted with famine are those which are the most lightly assessed of this lightly assessed province. It is well-known that high rents do not alone produce agricultural distress, which in fact is most common in lowly rented districts. A late member of this Council, Mr. Fuller, has after most careful enquiry affirmed that the Central Provinces are no exception to this rule. The fact is, it is in the interest of the málguzár or landlord that this agitation is carried on and not in that of the cultivator. The landlord in fact is very fortunate in the sixties to have been placed in the position he now occupies. I am confirmed in this belief that this is the fact when I hear my hon'ble friend on my right support Mr. Bose. The Maharaja's benevolence and sympathy is of a catholic character. Last year I remember he made an excursion into the pushing little province of Assam. This year he makes a longer excursion into the Central Provinces. I do not mean that his sympathies are confined to the landlord class. No one has given more magnificent proof to the contrary. Still distress will never appeal to him in vain, and are not landlords a conspicuously distressed class all the world over.

"As to the causes of famine, if we must go beyond the seasons, there can be no doubt that it is very difficult to get at the assessment question. It is recorded of the Duke of Wellington that on one occasion his references to a measure before the House of Lords moved the Chancellor to say that he feared His Grace had not understood the Bill, whereupon the Duke replied that he had read the Bill once, twice, and three times, and if he did not understand it, he must be a fool. I think many people might read official reports on this subject, and not be unworthy afterwards to be classed with the Duke of Wellington.

"It would be very advantageous and acceptable to many seekers after information in India and in England if the Government of India would publish not a masterly or exhaustive report, but a brief, popular memorandum exhibiting the salient features of the settlements effected in different provinces. One thing is clear that assessments have enormously decreased, though collections are much more regular than in the good old times. At any rate assessments cannot be crushing, while the rental of irrigated land is three times that of unirrigated land twice its amount. Moreover, the most affected are the most lightly assessed portions of the Central Provinces, which as a whole are more lightly assessed and taxed than any other part of the empire.

"As to famines in the past, there were then no Indian Midland, and Bengal-Nagpur, protective, no Raipur to Dhumtari, and other feeder lines. In 1818 wheat sold at Jubbulpur for four seers a rupee, and in 1832 for eight seers at Nagpur. In 1868 one year's failure of crops produced a famine, and early in the 18th century grain more than once rose to 64 times its normal cost. The effects of famine then were lasting. Now they are temporary, and the total decrease in cultivation since the last famine in the Central Provinces is only 5 per cent.

"Yet there is room for general enlightenment, when a journal like the *Times* enquires whether the Government of India in restricting landlords in respect of raising rent, has laid upon itself a self-denying ordinance of equal obligation.

"My Lord, the status and functions of an Additional Member are somewhat elusive of definition, but it has often struck me on budget days that he might be described as one who proposes additional expenditure without suggesting additional income.

"On one occasion only do I remember an exception to this rule. It was, I think, in the Session of 1895-96—at any rate I see no survivor of the members of that day present, excepting only my hon'ble colleague from Madras—that an Additional Member did point out to the Finance Minister how he might make much money. It happened, however, as is not unusual in such cases, that a transfer from another source was suggested, and that source chanced to be situated in Bengal. Whereupon the Lieutenant-Governor, the predecessor of His Honour, rose in his wrath, and smote the Additional Member, and when he had pulverised him and pounded him to atoms, the Financial Minister, though he was the man to stand by a friend, was hardly at great pains to put his ally together again. With this example before his eyes it behoves an Additional Member to be very wary. Yet I venture to think that savings might be effected in buildings in the mufassal. It does not appear that any rule of practice exists, whereby Public Works budget makers allot a certain proportion of their grants to new buildings, but I cannot help thinking a few new buildings, however unlovely in themselves, are considered to embellish an engineer's budget. The present administration in Madras markedly prefers communications to buildings, but in that Presidency and elsewhere I have seen handsome offices in small towns, providing as many cubic feet of air per individual, as amount to an obnoxious draught in the opinion of the Indian officials concerned, and are indeed far in excess of what the people usually enjoy, or really need, and perhaps more than what in this city is inhaled by the helots of Chowringhee.

"Last year I ventured to say that any simplification of rules, delegation of authority, and relaxation of restrictions imposed in regard to mining applications, would greatly assist Local Governments in encouraging the introduction of foreign capital. I would now gratefully acknowledge certain important changes made in the direction indicated and would briefly refer to another matter.

"It is not often that a political officer has the honour to sit in this Council, but when a member has like myself a political charge, the fourth largest in point of population, and the fifth in revenue in India, he may perhaps be allowed to urge that as mining industries are largely developed in Native States, which are expected to adopt, and do adopt British laws and regulations in this behalf, the actual, if not immediate, effect of action taken in British India upon the mining interest in such States, should be carefully borne in mind.

"There are two subjects, my Lord, in regard to which I have asked for leave to bring in Bills, a permission which, at this stage, I cannot get. They are the Christian Converts Dissolution of Marriage Act, and the Protection of Wild Birds. I am aware that changes in the marriage laws, like holy matrimony itself, are not to be rashly or lightly undertaken; but the present procedure is so long and expensive, that converts to Christianity who, like the early Christians, are generally poor, suffer considerable hardships, and particularly Roman Catholic Christians, because they are, under the combined operation of the first-mentioned Act and of the Penal Code, deprived of the benefit of the Pauline dispensation. This privilege of the faith by the Canon law, and the immemorial usage of the Church, permitted the dissolution of a marriage subsisting between a convert and a spouse who refused to live with him or her, because of his or her conversion, by a simple process, outside the courts, lasting thirty days and costing nothing, whereas the present procedure is, to a poor fisherman for example, only less prohibitive than the private Act of Parliament for divorce procedure, which formerly obtained in England.

"With regard to the birds, the Government of India, and certain Local Governments, of whom Madras is one, desire to preserve from destruction during the breeding season, birds which are coveted for their dainty flesh, or brilliant plumage, and I hope the very moderate measure of protection suggested may be granted in order that these beautiful and useful creatures may obtain a temporary asylum outside their present only heaven, ther eserved Government forest. I venture to commend these two subjects to the sympathetic consideration of Your Excellency's Government.

"Turning to the more general features of the Budget I would express my personal obligations to the Hon'ble Finance Member for giving us a most interesting statement, for making matters of high finance as intelligible as may be to the

weaker vessels, and for the elimination of that odious but till now inevitable financial fetish 'Rx'. I would express a satisfaction, in some quarters called unholy, at the recovery of the opium revenue, which showed dangerous symptoms of decline, upon the increased grant for irrigation, on the success, so far as may be judged, at this stage of the gold policy, to which Southern India makes a practical contribution from the Mysore Mines duly acknowledged by the Finance Minister.

"As to the Military Budget, it is well known that the hon'ble and gallant member in charge neither spends an unnecessary rupee if he can help it, nor takes less than a crore if he can get it, and if so large a sum is necessary to make efficient that army which is the insurance of a vast trade and of a population of a fifth of the inhabitants of the world, who pay for it per head around about eight annas. The most expensive thing we can keep is a badly armed army, and I rejoice to see a large provision for providing the Lee-Enfield rifle. which will be repeated in succeeding years. The provisions made for increasing the number of officers and improving transport and commissariat arrangements are also eminently satisfactory, though more transport as well as more regimental officers are required.

"Already the Indian Government, unconscious itself of any extraordinary or supreme effort, can accomplish feats of rapid mobilisation, which extort the reluctant admiration of Europe.

"The subject of paragraph 15 of the hon'ble and gallant member's memorandum will attract universal attention—I mean the withdrawal of troops from certain advanced posts on the frontier as soon as militia and police corps, which are to be located at these posts, are organized. These withdrawals have commenced and have resulted in savings which will be largely increased, if this policy proves the permanent success, which is anticipated and hoped by all who have the interests of this country at heart."

The Hon'ble MR. SMEATON said :—"I desire to congratulate the Hon'ble Financial Member for such an interesting and lucid exposition of finance as is contained in the statement before us, and in particular to offer him my profound thanks for the abolition of the objectionable 'Rx.' This time-honoured symbol has been the cause of more headaches to students of Indian Finance than almost any part of the statements that have been submitted from year to year. I have a pleasant duty, my Lord, to perform in acknowledgment of a substantial concession which has been made to the mercantile community of Rangoon but I desire to postpone performance of this pleasant duty until I mention two or three matters which His Honour the Lieutenant-Governor of Burma has desired me to lay before Your Excellency in Council. The first of these matters is in regard to the Forest Administration. Sir Frederick Fryer asks me to represent the inadequacy of the superior staff of the Forest Administration, and to point out, and I may say parenthetically that I entirely concur in the opinion which he expresses, that a little reinforcement of the Forest staff would vastly increase the annual resources and income of the Forest Department; that for every rupee spent in increasing the superior staff there would be many rupees obtained from the increased output of timber. I notice in the Hon'ble Financial Member's Statement that the Forest Administration made last year an increase of $12\frac{1}{3}$ lakhs of rupees by means of an expenditure of R1,43 000. In other words, the expenditure was covered nine times over by the additional revenue derived. This, I think, tends to confirm the Lieutenant-Governor's opinion that a little increase of expenditure in the superior staff will amply repay the outlay. A remark has just been made by my hon'ble friend on my right (Mr. Rees) that an Additional Member's business is generally to recommend expenditure and propose no revenue to meet it, but, my Lord, I think perhaps I am a notable exception in this; I propose an expenditure of one rupee and on the Financial Member's own showing I may anticipate with some confidence a revenue of R9 in return. I hope therefore that Sir Frederick Fryer's recommendation may receive Your Excellency's early and favourable consideration.

"The second matter to which I am obliged to draw attention refers to the salt revenue, which I have had an opportunity of briefly mentioning to the Hon'ble

Financial Member. This, my Lord, is rather a thorny subject. In Burma there is a considerable enterprise in manufacture of local salt, chiefly by evaporation. It is a very old industry in Burma, and it pervades most of the coast districts and is found also in the interior. This industry has been of late years very much restricted indeed. Under the very reasonable pressure of the Financial Department we have greatly reduced the area in which salt can be manufactured. We have diminished the number and very materially altered the capacity of the implements which are used in manufacture, and we have raised successively twice or thrice within my own personal knowledge the rates of composition, the object being, as explained by Your Excellency in Council, to endeavour to approach the rate of duty on imported salt, which in Burma is R1 per maund of 82 pounds. If the two kinds of salt were on equal terms then nobody could find fault with the intention of imposing an equal duty on both, but at the instance of Sir Frederick Fryer, whose knowledge of the subject is unrivalled, I desire to point out that the local salt has 25 per cent. of water in it as against 8 or 10 per cent. of water in the imported salt. Therefore it is obvious that in the taxing of this salt — which is taxed in advance before it is made — you levy duty on a proportion of 25 per cent. of pure water, whereas the duty on the imported article is altogether, or nearly so, on dry salt. But then again, my Lord, the Burma salt, as has been now proved by statistics and admitted by the importers of salt from England and Germany, costs exactly double to manufacture compared with the English or German salt. Now to impose on that local manufacture a rate equal to that levied on the imported article seems to be, on the face of it, inequitable: and to use Sir Frederick Fryer's words: 'Any immediate enhancement would probably cause a collapse of the local industry;' and in his own words again: 'The Local Government could not look with equanimity on the extinction of the industry, which that enhancement of duty would probably cause.' I would simply ask here, if Your Excellency sees fit and reasonable, that any contemplated immediate enhancement of duty on the local manufactured salt in Burma be postponed, and that, if possible, the figure at which the local salt can be fairly taxed be finally determined, at say, 8 annas or perhaps 9 annas, instead of one rupee a maund, and beyond that for the future do not let the composition duty go.

"The last matter to which I wish to make a brief reference is petroleum. My Lord, last year I had the somewhat unpleasant duty of suggesting postponement of a Bill—the Petroleum Amendment Bill—because there were certain parts of it which were not suitable for a Province where petroleum is largely produced, and Your Excellency was good enough to express some sympathy with the representation which I then made. The Local Government has made proposals for amendment of the Act to meet the case of the Burma petroleum industry; and I understand that these proposed amendments have been also before the Hon'ble the Legal Member and the Hon'ble Member in charge of the Home Department; and as the effect of these amendments will be to increase the commerce in oil between Burma and the coast of India, and to help to develop this promising resource of Burma I hope that favourable consideration will be given by Your Excellency's Government to the proposed amendments of the Act. It is hoped that just as the Burma rice crop has proved, in the words of the Hon'ble Mr. Dawkins, to be a dominating factor in the markets of Europe and Asia and South America, so it is to be hoped that the Burma timber and the Burma oil may in their own respective spheres prove to be dominant factors in these markets over the same continents.

"And now, my Lord, I have the pleasant part of my duty to perform. Last year I had occasion to invite Your Excellency's attention to certain difficulties connected with the financing of the rice trade in Burma. These difficulties, to put them in a very few words, were that the mercantile community, who are engaged in this important trade, were unable to obtain Telegraphic Transfers on Rangoon in Calcutta, and that this disability rendered the financing of the trade somewhat expensive and troublesome. I represented this, but there was no sound, no intimation given to me whatever of any likelihood of a favourable consideration of the proposal I had put forward. On the contrary, the

Financial Member of that time, Sir James Westland, met me with something approaching a rebuff, and he told me and the Council that he had made an offer to the mercantile community of Rangoon, and that they had refused it. In the absence of Sir James Westland I do not wish to say anything in any way to compromise him, but I desire to repeat, what I then said, that the offer made was illusory, and I am only too glad to know that the Hon'ble Mr. Dawkins has been good enough to try with his habitual thoughtfulness to lighten the burdens and remove the difficulties of the Rangoon merchant. He has now offered what I consider an exceedingly favourable concession namely, to allow Telegraphic Transfers in Calcutta on Rangoon at the rate of one-quarter per cent. at any time, and to such an extent as may be required, provided that the tender be not less than two lakhs. I consider, my Lord, that the Hon'ble Member has made an important and valuable concession to the mercantile community of Burma for which, if they are not thankful, they ought to be. If I may make one suggestion it is that the privilege which has now been granted may be extended to Telegraphic Transfers in Bombay on Rangoon; and in respect of Council Bills I desire to ask, although I do so with great diffidence, if it would be possible hereafter, supposing the Rangoon mercantile community consented to accept half payment in gold and half in silver, on that basis to grant the issue of Council Bills in Rangoon. I make this suggestion in case possibly the Hon'ble Financial Member may be able to give it his consideration and because it is just possible that gold may prove a more popular medium of exchange in Burma than in India, in which case part payment of Council Bills in gold might be feasible and the claim of Rangoon to a share of Council issues might be realized."

The Hon'ble MR. TOYNBEE said:—"My Lord, there is one paragraph of the Financial Statement on which I wish to say a very few words. That paragraph is No. 121 on page 36. It shows the Revenue from the Sale of Court-fee Stamps and Plain paper to have risen from 321 lakhs of rupees in 1896-97, to 341 lakhs in 1900-1901, or at the rate of over 4 lakhs a year during the above quinquennial period. The above figures indicate, to my mind, a very serious drain on the resources of the people, and I therefore again venture to draw the attention of Your Excellency's Government to the importance of affording them some relief in the shape of increased facilities for the settling of their disputes out of Court. When the Arbitration Bill—which was passed into law last Session as Act IX of 1899—was before the Council, I expressed the hope that, as it only applied to the Presidency-towns, it might be looked upon as an instalment or precursor of a measure of a much wider and more far-reaching scope—*i.e.*, one which would similarly benefit the great bulk of the population. In moving that the Bill be passed, the Legal Member, the Hon'ble Mr. Chalmers, admitted that the subject was one of great importance, and that every attention ought to be given to it. I fear, my Lord, that, owing to the existing pressure of work in the Legislative Department and also, perhaps, to the extra strain on the general administration entailed by famine and plague, there is not much hope of immediate legislation on the subject But I do trust that it will not be lost sight of; and that an effort will be made, as early as practicable, to give the agricultural classes some increased facilities for settling their disputes in their own villages, and for so diverting to agricultural and material improvements, or for saving up for a rainy—or rather a rainless—day, a considerable portion of the large sums which they now spend on Court-fees for the purpose of litigation in our Courts."

The Hon'ble MR. SPENCE said:—"It had not been my intention to say anything on the consideration of the Budget, but one point has come to my knowledge which I think I may as well place before the Council. Last year Sir James Westland was good enough to give us a résume of the state of the Provincial balances. This year no such résume has appeared in any part of the Budget, and therefore it is very difficult to know exactly the state in which the finances are as far as the Presidency which I have the honour to represent is concerned. There can, however, be no doubt of this in this matter. We have no money, and we have been living on the charity of the Government of India for the last two or three years, and I think that may go on

for a considerable time to come. Famines in this country are supposed to recur at intervals of about 20 years, but I regret to say that during my service of nearly 35 years I have gone through two famines, and I am now going back to my Province to complete it by winding up, I hope, another famine. If famines come every 20 years it takes a certain period of time for the Province to recover from their effect. I can remember that when the 1866-67 famine took place it took about four or five years before the Presidency recovered its normal state. The present famine is one of such unprecedented severity that I imagine that even that period will be exceeded. If so, it is deplorable to contemplate the state to which we shall be reduced. Of course all establishments have been reduced to a condition which can hardly lead to efficiency: all improvements have been stopped, and it will be a considerable time before we shall be able to emerge from our present embarrassments. I do not know what grant the Government of India have made to the Bombay Provincial funds, but I hope that it is liberal, and that in future they will treat us with the liberality which is due to misfortunes, which are in no way due to misgovernment or inefficiency, but which have been sent to us by Providence."

The Hon'ble NAWAB FAIYAZ ALI KHAN said:—"My Lord, when dealing with the Budget Estimate of the last year we had anticipated an era of financial success, and had expressed our satisfaction that all calamities that were overshadowing this country at that time would rapidly pass away, and that our treasury would again thrive and prosper. It was conjectured and not without cause, that the two years of good harvest were ushering in a period of agricultural prosperity and that the word 'famine' would not be heard by us at least for some time to come. But that hope was doomed to cruel disappointment. While plague is making havoc in the country, poor India has once more been afflicted by a visitation of famine, which is nearly as intense, in many cases, as the greatest famines of the past ages. These combined divine visitations have so completely taken us by surprise that all our hopes for the amelioration of our financial position have been disappointed. But although we have been placed in such a critical position, we should not lose heart. We should rather jointly and collectively be prepared to combat and conquer these unexpected and lamentable evils and banish them from our country for ever and for good. I may be permitted, my Lord, to say in this connection that the precautionary measures adopted by the Government to prevent the spread of plague in the uninfected parts of the country, are, in my humble opinion, the only effective measures that could be successfully adopted. I am glad to remark here that in many cases these measures have been crowned with success, and in particular to observe that the adoption of these vigorous and effective measures have enabled our Lieutenant-Governor, Sir Antony MacDonnell, to check and prevent successfully the spread of plague and famine in the territory under his wise administration.

"My Lord, I feel that I cannot leave this subject without offering my grateful thanks, and those of my countrymen whom I have the honour to represent, to Your Excellency, who, prompted by an earnest sympathy and desire for the good of the people of this land, has lately taken so much trouble, even at the sacrifice of your own personal comfort, to visit so many plague-infected and famine-stricken areas of the country. We owe a sincere gratitude to a merciful Providence, which has placed us under the benign sovereignty of Her Majesty the Queen-Empress, who, though separated from us by thousands of miles, is always looking after us with her fostering care and attention and is ever ready to help us in our troubles. It is also a matter of congratulation to find that India has been so fortunate as to have been placed under Your Excellency's wise and intelligent rule and kind administration.

"My Lord, I congratulate our Hon'ble Finance Minister on his being able to bring forward an encouraging item of surplus in his Financial Statement. It is encouraging indeed when we take into account all the unforeseen and abnormal demands that our revenues had to meet with. Famine alone is responsible for a large portion of increased expenditure, not only in the shape of relief and charity, but also in the shape of Military expenses in India, as the cost

of food supplies for men and animals in the Army has had to be taken Rs. 47,30,000 higher than in the budget estimate of the present year.

"I shall pass on now to say a few words regarding Railways and Irrigation. Our experience, my Lord, has shown us the immense advantages that are obtained by the extension of railway and irrigation systems, as the two prominent factors and chief means of securing India from the effects of famine. As regards the former it is gratifying to see that sufficient margin has been left in the Budget Estimate for extension. I find that a capital expenditure of £4,872,000 on railways has been estimated for the next year, *i. e.*, for 1900-1901. It also appears from the statement B prepared by my friend the Hon'ble Sir Arthur Trevor that from 1st April, 1899, to 31st March, 1900, about 711 miles of new railway have been authorized. The total length of open line on the 1st April, 1900, will, therefore, be 23,780 miles, a figure much larger than the estimate of the Famine Commission in 1880. The extension of this means of communication has enabled Government to save many lives during famine which would otherwise have been lost.

"My Lord, it affords me peculiar pleasure when I find that so ample provision is made in the Budget for the extension of Irrigation. It is with great satisfaction that I see that the Irrigation grant this year is raised to a full crore. The net earnings of these productive works are increasing day by day. I may be permitted to point out in this connection that the surplus of the revised budget estimate is mostly due to Railway and Irrigation work.

"One point more, my Lord, and I am done. It was anticipated in 1899 that our current year would be an era of marked improvement in the financial condition of the country. My pleasant duty in view of a fairly large surplus, would then have been to draw the attention of Your Excellency's Government on behalf of the people whom I represent to the advisability of remitting at least some of the tax levied on landowners on account of famine insurance. But it is unfortunate that our hopes have not been realized this year, for the reason that famine and plague still hold their sway in various parts of the country. But it is fervently hoped that when the time comes that a strong and stable financial position is secured and a handsome surplus is realized, when plague and famine have disappeared from the face of India, the Government will find themselves in a position to reconsider this measure and relieve the landowners, of some portion at any rate, of this burden.

"My Lord, I will not take more of your valuable time by dwelling at length on the question of exchange and adoption of gold standard, and so I pass them over in silence.

"I may be allowed in conclusion to express the sincere gratitude of my countrymen to our Lieutenant-Governor, Sir Antony MacDonnell, for his assiduous exertions and untiring zeal for the welfare of his subjects. His Honour's earnestness in adopting effective measures for preventing plague and its colleague famine, from intruding and encroaching upon his territory, is a salient proof how sympathetic and compassionate His Honour is, in advancing the welfare and better administration of that country. May I express a hope that the Government, considering his assiduous labour and wise administration of that country, will extend the term of his office in that Province for some years more. If this be done it would be a great blessing to the people of my province and also a gain to the Government.

"I may also be allowed to express my sincere regret on the departure of the Financial Member of Your Lordship's Council, the Hon'ble Mr. Dawkins, who has conducted the affairs of his Department, during his year of office, with skill and success, and with an anxious regard for the interests of all classes of the community.

"Lastly, my Lord, I should like to say a few words that relate personally to yourself. The people of this country have observed with appreciation your interest in their welfare and they cherish the hope that Your Excellency's term of office will be identified with large and statesmanlike measures of internal development and expansion. It is because I know that the public mind of my countrymen is much concerned at present with these topics, that I have tried,

to the best of my ability, to represent their views, and I hope and trust that my efforts may meet with favourable consideration at the hands of Your Excellency's Government."

The Hon'ble MR. MEHTA said :—"My Lord, I hope my hon'ble friend the Financial Member will pardon me for saying that this is really too bad of him. He just gives us a foretaste of better things and then he bids us farewell—a long farewell. Hitherto the financial statements placed before this Council have been comparative accounts of realizations of income, and of growth or saving in expenditure for two previous years, and approximate estimates based upon them for the Budget year. But there was no attempt to go into the heart of things, to discuss the sources of income and heads of expenditure with special regard to the needs, conditions, and circumstances of the country and its varied populations, or to construct a budget, to use the words of a famous Finance Minister, moulded by art on principles of science. The only thing that enlivened the dull monotony of figures in these statements were deep curses at the vagaries of exchange, when there was a deficit, and sighs of relief on the elasticity of Indian revenues, when there was a surplus. The deeper causes of financial phenomena, or the far-reaching indirect effects of financial operations, were left severely to themselves. My Lord, I venture to say that dogmatism on the stability of Indian finance can never be safely indulged till the complexity of the problem is thoroughly investigated and gauged. The several interesting discussions which irradiate my hon'ble friend's Financial Statement of this year indicate what might have been fairly expected of him, if we had succeeded in impounding him for the full term of his office. As it is, he has only succeeded in giving us a taste of the sufferings of Tantalus. When listening to the terse paragraphs, clothed in apt language and sounding almost like judicial summings up, in which he expounded the currency problems and the 16*d.* rate of exchange, it was impossible not to wish that he had gone on to furnish us with his views as to whether the measures for securing a stable exchange had cost the country anything and what, whether the deficits owing to exchange were not turned into overflowing surpluses by the difference having come indirectly from the pockets of the people, whether it was not the indirect impoverishment caused by the stoppage of the mints which perhaps intensified the inability of the people to stand the strain of the present famine. These are problems which are not only interesting in themselves, but they demand solution before it is possible to come to any useful or positive opinion about the real character and solidity of the existing state and condition of Indian revenues. But the question, which I should have liked to have seen dealt with above all others, is the question whether the financial condition of the country can be regarded as safe if, as is sometimes alleged, land in large Provinces is unable to bear the burden that is imposed upon it. Is it true that the effects of famine are hastened and intensified by the decline of staying power in the raiyat owing to over assessment? Of course nobody denies what is sometimes so passionately urged that the immediate cause of famines is failure or scarcity of rainfall. But surely it is possible to conceive that a failure of crops one year does not necessarily involve starvation, if there was some balance in hand of past years to tide over the calamity, just as a mercantile firm does not necessarily become insolvent because there have been heavy losses in one year. It is therefore a question of the most vital importance to ascertain whether it is true that there is this want of staying power, and if there is, if it is in any way due to faults in the existing systems of assessing or collecting revenue, if it is due to excess of assessment or rigidity of collection. On more than one occasion I have ventured to draw the attention of the Council to this important topic. That the raiyat is deeply in debt, scarcely any one denies. With regard to the Bombay Presidency, Sir Theodore Hope admitted in this Council that 'to our revenue system must in candour be ascribed some share in the indebtedness of the raiyat.' The Dekkhan Agriculturists' Relief Act Commission emphasized this opinion by reporting 'that there could be no question that the rigidity of the revenue assessment system is one of the main causes which leads the raiyats of the Dekkhan into fresh debt.' In answering my contention on this point on the first occasion, Sir James Westland replied that the only opinion I could cite was the opinion of a very distinguished official who retired 18 years ago. When, on the next occasion, I pointed

out that the still weightier and more matured opinion of the Commission was not 18 years' old, Sir James said 'that as the revenue-officers had admittedly powers of remission and suspension, it must be assumed that if they did not exercise them, there was no need to do so.' The answer to this is simple. These powers existed in Sir Theodore Hope's time, and when the Commission made its enquiries. And in spite of that, both these authorities, mostly official, arrived at the conclusion that rigidity of the revenue system was undoubtedly one of the causes of the raiyats' indebtedness. With regard to the question of over-assessment, it must be remembered that it is not simply a question of absolute excess of assessment, but also whether the assessment leaves a sufficient margin for saving. As was pointed out by Mr. Cotton, 'if a bare margin for subsistence alone remains, the result is that indebtedness extends year by year, and famines recur with ever increasing severity.' In one of Sir Louis Malet's minutes on Indian land revenue, he lays stress upon 'the marked absence of any adequate accumulation of capital upon the soil, and (as a consequence) of any sufficient appropriation of such capital to purposes of agricultural improvement, deficiency of stocks, of manures, often of seeds and implements,' as tending directly to a progressive pauperization of the raiyat. That these opinions cannot be altogether scornfully rejected is painfully brought home to every student of the question by a perusal of the Selections issued from time to time by Government of papers relating to the periodic surveys and settlements of tálukas. It is evident that re-settlement is carried out in a most empirical fashion, without being regulated by well-ascertained and definite principles. A writer well acquainted with the matter has described the procedure of revision operations as follows. The Settlement-officer surveys the lands and generally discovers some under-measurements. A fallow piece of land here, or a rocky stretch there, or a marsh at another place, reclaimed at some cost and labour,—all such attract his attention, and the measurements are thus increased. Then he proceeds to register his reasons for enhancements. There is a railway newly built in the neighbourhood, there is an increase in the number of tiled houses and of cattle, there is a new bazar begun to be regularly held, there is a school and children, and so on and so on, till everything is included which by hook or crook can show that prosperity has increased. It is said that even sending delegates to the Indian National Congress has been used as an argument for a revision of the settlement. Then comes the mention of any canals or tanks built by Government and of the fact, if it exists, of water being found at a certain level by some raiyats who had been fools enough to dig wells. There is hardly an attempt to enquire whether the farmers themselves have shared in their outward prosperity. Then there is a speculative and perfunctory enquiry as to the general yield and the end of it is a recommendation for generally raising the assessment rate from 50 to 200 per cent. at one sweep. It will be thus seen that however conscientiously pursued, these operations are in their very nature empirical, uncertain. and indefinite. In making these remarks I do not mean to advocate a permanent settlement like that in Bengal. But it is well worth considering whether the scheme recommended by the Government of India in the time of Lord Ripon, under which assessments would be revised only in the case of a general rise of prices or of improvements made by the State at its own cost, does not deal with the question in a more reasonable and scientific manner. Under such a scheme, the 'unearned increment' would be saved to the State, but it would be automatically measured by the rise in prices which would include all the sources of its growth. My Lord, I am not putting forward these views as incapable of being controverted; on the contrary I think that they are sometimes pressed with intemperate exaggeration, and I also know that opposite views are stoutly and forcibly maintained. But, my Lord, the issues involved in a settlement of this vexed question are momentous; they involve the pressing problem of the perpetual indebtedness of the vast agricultural population of the country; they anxiously concern the grave fact admitted by the last Famine Commission that the condition of the immense majority of the agricultural labourers, who, it must be remembered, are not merely labourers, but who alternately labour for others as well as work fields on temporary leases, has seriously deteriorated; they may have a close connection with the increasing severity of recurring famines if assessments do

not leave a sufficient margin for rainless days. It may be that the views of the pessimists may be erroneous; but I believe, my Lord, they are honestly and sincerely held, and there is a sufficiently large consensus of opinion in their support to prevent them from being scouted as utterly visionary or unfounded. Under these circumstances I respectfully venture to submit, for the serious consideration of Your Lordship, if it would not be an act of provident and sagacious statesmanship to take measures for a full and exhaustive investigation of these questions, by means of a Commission empowered to deal with them in all their varied aspects. I make this suggestion, my Lord, in a spirit of earnest and sincere loyalty, not less earnest and sincere perhaps than that of those who talk more of it.

"And now, my Lord, I have only to offer a few remarks on the details of this year's Budget. I felt very grateful to my hon'ble friend when he announced that all famine expenditure for the closing and coming years was undertaken by the Government of India, though indeed I do not know how otherwise the insolvent exchequer of the Bombay Presidency at least could have met the demand. But after this announcement, it was somewhat startling to be told that the Budget year was estimated to close with a surplus of 24 lakhs, small no doubt, but still a surplus. It was difficult not to feel that with the heavy calls, direct and indirect, entailed by the severe and widespread famine that has cast its dark shadow on the land, such a result was too good to be real. There are circumstances connected with the Budget estimates which are calculated to raise serious misgivings. Land revenue is estimated to fetch one crore and 30 lakhs more than in the revised estimates for last year, and within 30 lakhs for the accounts for 1898-99 and within 50 lakhs of the estimate of the Budget estimate for what was expected to turn out a most prosperous year, *viz.*, 1899-1900. Considering the severity of the famine and the enormous loss of cattle that has taken place, is not this too sanguine an estimate, and may it not be the indirect means of pressing hardly in the matter of remissions and suspensions? It may be said, how can arrears be recovered if the raiyats are not able to pay them? The answer is that this inability need not always be absolute but is often only relative, and without always involving immediate insolvency, may mean increased indebtedness, gradual impoverishment, and reduced staying power for the future. Then, again, I do not find anything either in the statement or accounts regarding plague expenditure for the closing year or the Budget year. Besides the imperial contribution on account of plague expenditure for 1898-99, I believe that provision to the extent of about 12½ lakhs was made, so far as the Bombay Presidency was concerned, for similar expenditure in 1899-1900. There is nothing to show what has become of that amount, whether it has been absorbed in the expenditure, or whether any portion of it is intended to be distributed to the different municipalities in the Presidency as was done last year. There is another circumstance which makes the estimated surplus of 24 lakhs still more unreal. In paragraph 75 of Mr. Finlay's memorandum, referring to reduction of expenditure on Civil Works for 1899-1900, he says that 'the Civil Works savings in the other Provinces (other than Assam and Burma), varying from Rs. 14,57,000 in Bombay to Rs. 5,62,000 in the Punjab, may all be taken as being the result of the efforts of the Local Governments to reduce ordinary expenditure, to provide funds for the famine and to a small extent for other provincial needs.' In paragraph 114, speaking of the Civil Works estimates for 1900-1901, he says 'large reductions have been made to help the Local Governments to secure equilibrium, in the Provincial revenues,' enumerating among others, Rs. 13,79,000 in Bombay, Rs. 10,57,000 in the Punjab, and Rs. 5,31,000 in the Central Provinces. In speaking on last year's Budget in this Council, I deplored the grave consequences of reducing Bombay Civil Works expenditure from the moderate average of 36 lakhs to less than 27 lakhs in 1897-98, and to 29 lakhs in the Budget for 1898-99. And now, for 1899-1900 and 1900-1901, it is cut down at one stroke into absolutely one half of the amount. My Lord, I cannot help saying that the prospect before this sorely stricken Presidency is one not to be contemplated without dismay, and I cannot help thinking that the 24 lakhs would be better employed in going to the help of the Bombay exchequer than in figuring as a surplus.

"Gloomy as the situation thus is, I confess, my Lord, I feel some difficulty in reconciling myself to the suggestion that there might be a grant to India from the British treasury. The exchange of private charity between the subjects of Her Majesty in England and India can be open to no objection; on the contrary, it draws hearts closer together. India has gratefully appreciated the generosity of the British people in coming to the help of the afflicted by their liberal subscriptions during the famine of 1896-97 and during the present famine. But a public dole stands on a different footing and cannot fail to carry with it a sense of humiliation. In that way, India would fain appeal to England's sense of justice rather than of generosity. I never cease regretting that the Government of India had lost to the country a contribution from the British exchequer on account of the last Frontier war. It was a work of joint imperial concern, and a division of the cost would only have been just. There is still another way in which England can justly come to the help of India. While the Welby Commission is pending, I do not wish to speak of the vexed question of the appropriation of Military charges between England and India. But while the present system still flourishes, it is only just that the same principles which govern the War Office in levying charges for British soldiers from the Indian treasury from the moment of their recruitment should also govern the repayment of troops taken from India to serve abroad. It has been a matter of joy and pride to this country, as the remarkable outburst of feeling throughout the country has shown, to have been able to go to the help of England with such splendid soldiers as Your Lordship was able to despatch with such promptitude, and at the same time also to remember that the great general who is now leading them on from victory to victory belongs solely and entirely to this country. I know that both the ordinary and extraordinary cost of these troops is to be repaid out of the British exchequer. What I wish to point out, however, is that on the principles hitherto enforced against India, the cost which ought to be repaid is their entire cost from the recruiting depôt till now, except the cost of the period when they might have been engaged in actual fighting in India.

"There is one other way also in which England can justly come to the help of India, and that is, by guaranteeing her loans. My Lord, the fates of England and India are inextricably woven together, and nothing can be lost by recognizing so patent a fact by the formal seal of a guarantee. On the contrary, it would bring the two countries together in a bond still closer knit even than now."

The Hon'ble MR. IBBETSON said:—"With respect to the Hon'ble Mr. Smeaton's remarks regarding the need for additional Forest officers in Burma, I would remind him that it is only four years ago that the superior staff in that province was increased by nearly 50 per cent., and that at the present moment, supposing vacancies to be filled up, the nomination to which lies with His Honour the Lieutenant-Governor, the staff is actually above strength. We have now asked the Secretary of State to increase the annual recruitment, and hope shortly to be in a position to meet the Lieutenant-Governor's wishes. In view of the great importance of the Burma forests, every possible effort has been made to assist the Local Government, and it has, I believe, had even more than its strict share. But the fact is that every province is more or less shorthanded at the present moment. On the subject of petroleum, I need say no more than that the alterations to which the Hon'ble Mr. Smeaton has referred are at present under our consideration in consultation with the Local Government.

"My hon'ble friend the Financial Member will doubtless be gratified by the chorus of approval with which the announcement has been received that, even under financial conditions such as characterise the present year, it has been decided to increase the allotment for new irrigation works by 25 lakhs. The announcement is no doubt welcomed, not only as a provision of immediate funds, but also as an indication of future policy; and I may perhaps be allowed to say how heartily I share in the satisfaction which has been so generally expressed. As regards irrigation in the Central Provinces, I may tell the Hon'ble Mr. Bose that we have recently placed the services of an expert at the disposal of the

Chief Commissioner in order to examine the question with reference to Chattisgarh. I hear informally that he is not unhopeful of success; and if it should be found possible to work out a scheme that will stand professional scrutiny, I think I can promise that it will be sympathetically considered by the Government of India. It is the case, however, as the Hon'ble Mr. Charlu has reminded us, that no scheme of tank irrigation on any ordinary scale can ever afford complete protection, since tanks, unlike our great snow-fed rivers, are themselves dependent upon the annual rains for their supply. They are therefore apt to fail us when most needed, and it is by their utility during a fairly normal series of years that they must in the main be judged.

"The Hon'ble Mr. Mehta has quite rightly laid great stress upon the very important question of elasticity in the assessment and collection of revenue. I believe there is hardly any question which has a more intimate bearing upon the prosperity of agriculture in India; and I can assure him that it has not been overlooked by the Government of India. It is one of the branches of that great subject of Agricultural Indebtedness which has been engaging their most earnest attention for some years past. During those years much has been done towards improving the law regarding Courts of Wards and the entail of landed estates, and a substantial beginning has been made in the matter of restricting alienation of land. I may remark in passing how gratifying it is to me to find that the Hon'ble Mr. Bose, speaking in the name of the people of the province which he represents, approves of the restrictions which have there been recently imposed upon the power of alienation.

"The question of elasticity is next for consideration. The material has been collected, and is ready; but in matters of such magnitude and importance, we do well to hasten slowly. That the practical question has not been neglected on the present occasion is, I think, sufficiently apparent from the fact that the Revised estimates for the annual year are less than the Budget estimates, which were based on normal prospects, by 83 lakhs in Bombay, 35½ lakhs in the Central Provinces and 38 lakhs in the Punjab; while even the Budget estimates for next year, which again are based upon the anticipation of favourable seasons, show reductions of 16, 35 and 10 lakhs, respectively.

"As for what has been said by the Hon'ble Mr. Ananda Charlu and the Hon'ble Mr. Mehta regarding the basis of assessment, I can assure them that the policy of the Government of India has for the past eighteen years steadily tended in the general direction which they indicate as desirable. But the Government of India have always declined, and must continue to decline, to tie its own hands, or those of Local Governments, by any hard and fast rules such as are suggested by the hon'ble gentlemen, or by the Hon'ble the Maharaja of Darbhanga, and so prevent them from remedying those inequalities which must almost inevitably arise during the currency of a long-term settlement, and which it is one of the main objects of a revision of settlement to remove, or hamper them in dealing with the infinite variety of conditions which affect the assessment of land revenue.

"I hail with pleasure the remarks of the Hon'ble the Maharaja of Darbhanga regarding the development of the Agricultural Department, and his appreciation of what has already been done with limited means. The policy which he advocates is the declared policy of the Government of India, declared in a set of resolutions which were published, I think, in 1897; and two obstacles alone have prevented its more vigorous prosecution—first the financial difficulties which have for some years affected both Imperial and Provincial finances, and secondly, our inability to discover a wholly suitable and competent person for the post of Inspector-General of Agriculture, the creation of which has received the sanction of the Secretary of State. To fill this important post worthily, its incumbent will require very special qualifications, and we prefer to wait a little till the right man turns up, rather than accept anybody who does not possess them in full.

"Finally, I turn to the remarks of my hon'ble friend Mr. Bose upon settlements in the Central Provinces. And first he must allow me to acknowledge the courtesy which led him to furnish me with a copy of them beforehand, and which has not only greatly facilitated my task in replying to them, but has

also ensured to them more adequate consideration than it would otherwise have been possible to give them. He will not expect me to discuss them in detail on the present occasion, and I must not be understood to accept all his figures, or to agree with all his arguments or conclusions. The Central Provinces system of settlement has found an unexpected but able champion in the Hon'ble Mr. Rees. But I agree with the Hon'ble Mr. Bose that it would be difficult to exaggerate the nature and intensity of the calamities which have befallen the province which he represents, and especially certain portions of it, during the past few years. I agree also that it was unfortunate in the extreme that the cycle of lean years should have begun, just when the revised settlements were coming into force. Since then, some of those assessments have been subjected to a test under which any settlement, however reasonable and moderate, must inevitably have broken down.

"But I do not think that my hon'ble friend fully realises all that has already been done in the direction which he indicates. Before I made over charge of the province, the revision of settlement had been completed in one district, and begun in a second and a portion of a third. And the question whether still wider revision was necessary was under my consideration during the autumn months of last year, and was only suspended when it became clear that famine was inevitable, because I felt that it would in any case have to be reconsidered as soon as the famine was over.

"As regards settlement operations which are now in progress, or have just been completed, it must be remembered that a revision of settlement means very much more than a mere enhancement or reduction of the total assessment. It means also the accurate ascertainment of facts as they are, and the redistribution upon the basis of those facts, of the burden of rent and revenue. During the term of a thirty, or even of a twenty years' settlement, the distribution of that burden becomes extraordinarily unequal, especially where protected tenants are numerous; and if, for instance, settlement operations result in the assessment of a normal revenue amounting to 125 per cent. of that previously paid, it would be far better for a district, however depressed, that the revised assessments should be announced, but reduced by one-fifth so as not to increase the total payments, rather than that the existing unequal payments should continue to be exacted. And this is especially the case, now that the recent revision of the Central Provinces Tenancy Act has for the first time empowered settlement-officers to reduce excessive rent. The severity of assessments in the Central Provinces, wherever they are severe, is mainly due to the short-sighted action of speculative and absentee landlords, and of those who have followed their example, in screwing up rents to a pitch which it is possible to pay, only under the most favourable conditions. Hitherto, the settlement-officer has been obliged to accept those rents, and to assess upon them. He is now, for the first time, in a position to correct them.

"As regards the reduction of agricultural debt, I will only say that I agree with the Hon'ble Mr. Bose in thinking that the conspicuous success of the experiment to which he alludes was mainly due to the fact that it was worked through the people, and that local public opinion was enlisted in its favour. I should be glad if it were found possible to repeat that experiment on a wider scale. But, I am inclined to believe that any attempt to make submission to conciliation compulsory, would at once alienate public sympathy, and destroy all hopes of success. An attempt to provide a simple insolvency law of which the agriculturist would readily avail himself, was made in the Dekkhan Agriculturists' Relief Act. But its provisions in this respect have virtually remained a dead-letter.

"The problem of providing agriculture in India with capital on reasonable terms is one of the most difficult that can be conceived. Some months ago Mr. Fuller worked out a scheme which seemed to me to suggest a possible step towards the partial solution of the difficulty. It is still under the Chief Commissioner's consideration, and will doubtless reach the Government of India in due time. If it should prove practicable and acceptable to the money-lending classes, it will, I believe, be a substantial advance towards the end in view.

"When I went to the Central Provinces in the middle of 1898, I felt that the task of nursing the province through its period of convalescence after the

famine of 1897 constituted a revenue problem of no ordinary difficulty. It is needless to say how greatly the calamity of a second famine, following almost immediately upon the first, must have increased the difficulty of the task. My hon'ble friend will, however, agree with me that the matter could not be in more sympathetic or more competent hands; and his remarks, which I will take care to bring to the Chief Commissioner's notice, will no doubt assist in dealing with it. The people of the province may feel assured that, in all well-considered measures for their assistance in recovering from the calamity which has befallen them, the head of the administration will receive the most cordial support from the Supreme Government. They must remember, however, that there are two sides to this, as to most questions. And what I am going to say applies to a good deal that we have heard here to-day. On the one hand, a wise moderation—in the face of such a calamity as the present, I will say a generous leniency—is advisable, not only in the interests of the people, but also as conducing to the stability of the revenue. On the other hand, every rupee of rent that should be, but is not, imposed upon the cultivator, is so much shorn from the income of the landowner; and every rupee of revenue that should be, but is not, assessed upon the landowner, has to be made good by the general tax-payer. It is easy to win a cheap popularity by indiscriminate liberality at the expense of others; but it is not right.

"I would ask the Council to bear with me yet one moment while I cordially acknowledge the manner in which the Hon'ble Mr. Bose has referred to the efforts that are being made to save human life. I believe, with him, that the people themselves fully appreciate the splendid devotion with which Government officials and private workers, European and Native alike, are striving for their relief. I have heard the fact doubted. My Lord, I have spent a great part of my service in quiet country districts, and have always made a special point of mixing with the village population. And my firm conviction is, that though the Indian peasant is inarticulate, he is not ungrateful, and that in the depths of his dumb heart he realizes and appreciates all that is being done for him by those who are striving to save his life, not seldom at the risk of their own."

The Hon'ble SIR A. TREVOR said:—"My Lord, my task on the present occasion is for the most part the easy and pleasant one of gratefully acknowledging the testimony which has been borne by those of the hon'ble members who have referred to the subject, to the success which has attended our efforts to prevent the interests of railways and irrigation from suffering more than was absolutely unavoidable from the financial difficulties of the year. But there are a few points to which I may briefly refer.

"My friend the Hon'ble Mr. Allan Arthur has referred to short comings in the deferred Telegram service and has pointed to the necessity for spending the surplus revenue of the Department on the improvement of the service. I am afraid it must be acknowledged that it has not always been found possible to work up to the standard the Department has set for itself, and that deferred telegrams are occasionally seriously delayed. But having regard to the conditions under which they are sent, that is not surprising when the ordinary and urgent traffic is as heavy as it sometimes is. If deferred telegrams cannot be got through in the night or before the urgent and ordinary messages of next day begin to come in, they have to stand aside till next night. Thus messages put in at 10 A.M. on Monday might not get over the wires until Tuesday night, being delivered on Wednesday morning. The surplus to which Mr. Arthur refers as shown in this year's revised estimates is the result of the same sudden expansion of traffic to which the delays of which he complains are attributable. It will all be spent, and something more, next year, on the object he has at heart, the improvement of the service by construction of additional lines, provision of new apparatus, increased establishment, etc. I should explain that the cost of new lines, though it is treated as Capital expenditure, is met out of Revenue.

"I will leave it to His Excellency the Viceroy to deal with the question of our general irrigation policy, which has been referred to by my friends Messrs. Ananda Charlu and Faiyaz Ali. But in reference to Mr. Ananda Charlu's

remarks as to the importance of systematizing the maintenance and improvement of tank irrigation in Madras, I may observe that there is already a tank-restoration survey in Madras, which has been going on for some years. The tanks along each river or main drainage here are systematically reported, the various data for each being put on permanent record in a book for each system. Improvements are suggested and taken up in regular order as money is available. In fact, the system he desires is already in force. It may be susceptible of improvement. But that is a question rather for the local authorities.

"My friend the Hon'ble Maharaja of Darbhanga has referred to the postponement of the Sakri-Jainagad line. Some difficulty was experienced in finding the money for the line within our programme limits. But as I explained in the memorandum appended to the Financial Statement, the Bengal and North-Western Railway Board have come to the rescue, and have undertaken to find the money at a reasonable rate of interest, allowing it to rank as Government capital for division of profits on the combined company's and Government system which they work. This has been agreed to by the Government of India, and I hope that the line will shortly be put in hand.

"He has also referred to the question of railway rates, especially for coal, as demanding attention. I may explain that Government fixes on all lines except a few of the old Guaranteed Companies Railways and such as are independent of Government aid, certain maxima and minima, within which Railway administrations are at liberty to vary their rates as may seem to them desirable in the interests of their lines. They are quite alive to the advantages of stimulating traffic, and the less they are interfered with the better, as a rule, the public will be served. As regards coal, I may observe that neither the Companies who sell coal nor the public who buy it have so far complained of the rates. Their complaint has been more directed to the difficulty of moving the coal from the mines to the centres of trade and industry. The rates at which Railways can afford to carry depend also to some extent on the direction of other traffic. One-tenth of a pie per maund per mile is the prevailing rate. But that is sometimes reduced, with the sanction of Government if necessary, when, if not carrying coal, the wagons would be returned empty. I do not think that Government are at present called on to interfere."

The Hon'ble MAJOR-GENERAL SIR E. COLLEN said:—"In the memorandum which I laid upon the table last week I gave a full detail of the estimates with which I am specially concerned, the Indian military estimates, the Home (India) military estimates, the Military Works estimates, and the marine estimates. I do not think I need trouble the Council with any repetition of figures, but should like, if I may, to furnish the Council with an explanation regarding the increase in the budget of the coming year as compared with the budget estimate of the current year.

"The difficulty of arriving at the practical increase of military expenditure is because there are many factors in the estimates of both years which must be eliminated, in order to arrive at what may be called the permanent figure. We must take out the abnormal cost of food supplies, reduction by the absence of troops, and reduction of the provision for military operations and special services. It appears to me that the fairest way of stating the case is to say that provision has been made for improvements in the armament and organisation of the army to the extent of about 90 lakhs or £600,000; and that other increases, such as the messing allowance for the British Army, bring up the permanent increased expenditure to about one crore of rupees, or £666,666. Increases to army expenditure, comparing one estimate with another, may be classed under three heads, namely, what may be called temporary increases, which may not recur again; automatic increases, such as occur in connection with the volunteers; and special increases due to improvements in the army, in its organisation and armament, some of which must increase year by year up to a certain limit.

"The great increase to military expenditure was the effect, when fully felt, of the measures which were carried out in 1885-86-87 for augmenting the strength of the British and Native army, for the establishment of reserves,

and for the creation of coast and frontier defences, the maintenance of which is now a yearly charge. Now this increase of expenditure was the result of the deliberate conclusion of the Government of the day in consequence of the modification of our military position in India. But besides this direct cause of increase, many matters have since caused additional military expenditure, the preparation of the field army for mobilisation, increase in transport, rise in prices and wages, the effect of expeditions and campaigns on the non-effective charges, the increased cost of, and additions to, equipment and war material generally, development of the volunteer movement, and additional sanitary measures; while three items alone, the increased pay to the native army, exchange compensation allowance, and the grant of messing allowance to the British army, account for over one crore of rupees, £666,666.

"I have more than once explained in this Council what the great items of military expenditure are, and if my hon'ble colleagues will turn to paragraph 29 of my memorandum, they will see, taking the Indian military estimates, how the expenditure stands under the different grants; and if they analyse these figures, they will find that, in the effective services, out of say 15 crores of rupees, or £10,000,000, more than 14 crores of rupees, or a sum of considerably over nine millions sterling, is spent on paying, feeding and supplying, clothing, doctoring, and arming the army, while the difference is caused by the expenses of the staff and administration, attending to the education and spiritual wants of the army, and to the cost of the volunteer services.

"As to the non-effective charges, there is practically no means of reducing these; and if we turn to paragraph 38 you will find that the Home (India) military estimates are made up, besides payments to the War Office, of pay in some form or other, transport of troops to and from India, stores required by the Army in India, and various non-effective charges, such as pensions.

"I think that we are sometimes reproached that we have no great reforms to bring forward. Some of our critics would have us abolish the post of Commander-in-Chief, others tell us to abolish the Military Member of Council, while yet again these wholesale abolitionists advise us to abolish the four Lieutenant-Generals Commanding the Forces, or to abolish some particular part of the army usually, I may say a part of the army to which the critics do not belong; then we are told that we ought to reduce the British Army in India; while some say salvation is to be found in re-distributing the army and having nothing but large cantonments,—a most excellent policy, which I should like to see carried out,—but which would involve an enormous expenditure on barracks and cantonments. Great reforms have been introduced into the Indian Army during the last twenty years. The cumbrous presidential system has been got rid of and a large number of measures of improvement have been carried out. Even in the financial year that is now passing we have done a good deal, and are preparing to do more. Within the last few days, we have received sanction for the introduction of the organisation of double companies in native infantry in place of wings—a most important improvement which many of us have pressed for, for a long time. Another very considerable reform is the re-distribution of commands on the North-West Frontier which will be immediately carried out. The great reform to be accomplished is further and more complete decentralisation than has yet been effected.

"I said in my memorandum that I could not state the results of our labours to diminish clerical work and simplify our method of business in the army and its administration. But I rather forgot that we have already reduced the length of those useful documents, the military financial reviews, and since I wrote I have received a proof of the report on Ordnance Factories and I find a reduction in bulk has been made of 67 per cent. I mention this, because it is the first fruits of part of a very great reform in which His Excellency the Viceroy is not only interested, but for which he has supplied the motive power of his energy. I have explained in my memorandum how the particular military measures we have brought forward came to be proposed; but I did not explain that these measures are only part of a permanent policy which we have for many years gradually, if slowly, developed—that policy being the preparation of a

part of the Army of India for mobilization in any direction, either by land or sea; while the second part of the policy is the defence of the ports and frontiers by adequate works, and by carrying out measures to preserve the internal security of the country. Sometimes circumstances have obliged us to halt in this development. At other times, we have been able to carry it forward more rapidly, but the measures of special expenditure, the re-armament of the Native army and of the mountain batteries, the development of our manufacturing power, the addition of officers to the Native army, the re-organisation of horse, field, and mountain batteries, with a view to facilitate mobilisation, the conversion of existing heavy batteries into more powerful units, improvement of the transport—I am afraid I have dwelt upon the necessity for this several times in this Council—and the provision of military light railways, etc., form an important part of this continuous policy, and we feel that, when these improvements have been carried out, we shall have made a great step forward.

"I should like to say one word as to what our mobilisation system is—it is the preparation of a force for movement, equipped in every possible detail. It means an immense amount of labour and an endeavour to foresee every kind of requirement. It is ten times more difficult than the mobilisation which continental nations are able to effect, because, not only have our troops to traverse long distances, but we are not able to distribute our troops rigidly and permanently in time of peace. One result of having a definite aim and standard is that we do possess large reserves, and manufacturing power for equipments and warlike stores. The possession of these equipments and reserves not only enabled us to send off at once the force for South Africa, but it has enabled us to meet large demands from the War Office.

"A great deal has been said recently to the effect that the Government take no interest in the Volunteer Force in India, and that this force is, in fact, in the cold shade of officialism. I am concerned that there should be any feeling of this kind, for I can assure the Council it rests on no foundation. I know Your Excellency takes great interest in the volunteer force of India—a force which has contributed a small but effective contingent to the army in South Africa, and for myself I am one of a very small body of veteran volunteers, as I was a volunteer 40 years ago, beginning my military education in that post, and I have done everything in my power to foster the movement.

"In the first place, I will deal with the question to which my hon'ble friend Mr. Allan Arthur alluded—the re-armament of the volunteers. The Government are most anxious that the volunteers should be re-armed, but we cannot do everything at once. It is, as will be readily understood, a matter of great importance that the Native troops of the field army should be re-armed with the magazine rifle, and this we shall now commence to do from our reserves, supplemented by the arms which are coming from home. The desire is to re-arm the volunteers, immediately after that portion of the Native army which is detailed for the field army has been armed with the magazine rifle, and I think that, if the volunteers consider the question dispassionately, they would understand why this plan has to be followed. They will certainly be re-armed before the remainder of the garrison of India, which is not in the field army, receives the magazine rifle.

"I find that in the last ten years many concessions have been made, which have involved expenditure. An annual grant is given to assist volunteer corps in the construction of rifle ranges; reservists are allowed to count towards the authorised band allowance; mounted volunteers are allowed to purchase cast horses at a small price; an educational allowance is granted to schools for efficient cadets; money grants are made to volunteers in lieu of rations during camps of exercise; ammunition for match shooting is issued at cost price; the horses of mounted corps are rationed at the State expense during camps of exercise, instead of this being charged to the capitation grant. The grant for camps of exercise has been raised; an annual grant is made of R20,000 to help the volunteers in their field days; an annual grant of R30,000 is made for volunteer buildings, such as armouries, head-quarters, etc.; loans at a favourable rate of interest have been issued to volunteer corps; volunteers have been placed

under more favourable conditions regarding the grant of wound pensions and widows' pensions. The capitation rate of ₹10 is passed to recruits who fail in their first year but qualify as reservists; outfit allowances are granted to volunteer officers on first appointment for the purchase of their swords and revolvers; an increased capitation of ₹10 is granted to mounted volunteers and the same to artillery volunteers, while infantry volunteers who are trained in gun drill receive an extra amount of ₹10. Volunteer officers are granted a decoration and volunteers long service medals; and the children of volunteers are admitted to the Lawrence Asylums. I venture to think that we can hardly be said to have entirely failed in our duty to the volunteers.

"I have had on previous occasions in this Council to defend military expenditure in India, although, indeed, to my mind it requires no defence, when we remember that the military expenditure of India is only about 5 per cent. of the great trade of this country, which I venture to think is not an extravagant insurance. The criticism which has been passed has sometimes been full-bodied in its flavour, sometimes of a very mild character. On this occasion I confess I am glad to know that the continuity of hostile criticism has been broken, and that my colleagues approve of the military policy of the Government. The Hon'ble Mr. Mehta made a remark on the method pursued in respect to the charges on account of troops lent to the Imperial Government. Now I would ask his attention to the despatch of the Government of India of 1896, on the Suakin charges, which has been published as a blue book. In that despatch a full exposition was made of the view entertained by the Government of India, and for my part I can only say that I regard those views as equitable. I am given to understand that at last the report of Lord Welby's Commission is to be published, and I do not think I ought to forestall the opinion of that Commission by expressing my own. I think that is all I need say with reference to the observations which have been made on the subject of military expenditure by my Hon'ble Colleagues.

" My Lord, when speaking in this Council, two years ago, of the frontier campaigns of 1897, I mentioned how the great chieftains of the Native States had vied with each other in placing their Imperial Service Troops at the disposal of the Government of India, and in offering their swords for service in the field. But still more remarkable has been the exhibition of the loyalty of the princes and people of this country, during the progress of the war in South Africa—a war which we feel assured that great Indian soldier, Lord Roberts, will conduct to a conclusion which will give that country lasting peace. All must appreciate the necessity for carefully thought out plans and preparation, but it is not only upon these, or upon the existing numbers of our Indian Army, that we rely for the security of India. We rely also on the resources of the empire at large; and we rely upon the enormous potential strength which we possess in the martial races of this country.

" It was in the same speech that I alluded to the achievements of Sir William Lockhart. I was with him in the last act of the drama of the war of 1897, at the last jirga of the Afridis, and again at that remarkable scene at the Peshawar railway station when they came to bid him farewell; and I well recollect the impression it made on me when one of them stepped forward and said: 'We have fought against you—the next time we shall be on your side, and your enemy shall be ours.' What can be more striking than that the Afridis should have offered their services for South Africa? What can be more touching than the message from 'Your Afridis,' which came to Sir William Lockhart in his last illness? No words of mine can express the loss which the Indian Army has suffered. I do not speak of personal sorrow, but of the withdrawal of the present and living influence of a great soldier, high-minded and chivalrous, experienced in war, to whom the whole army looked up with affectionate reverence But, my Lord, the name of Lockhart will long be remembered in the Punjab and on the frontiers of India. May his bright example animate the younger men to follow in his footsteps;—and although we may have disappointments and the result may be slow of accomplishment—may his example teach them how the wild tribesmen can be led to look upon us as friends, and thus add to the strength of the Indian Army. The martial strength of India—prepared at all points—lies in the loyal faith of her

sons in their leaders—among whom history will afford a high place to the name of my friend of so many years, and our colleague in this Council.

"My Lord, death has laid his hand on another eminent soldier, the senior officer on the active list of the Indian Army, one who was formerly a member of this Council, and afterwards Commander-in-Chief in India. I speak of Field-Marshal Sir Donald Stewart. His distinguished career has ended, full of years and honour, but up to the last he was a power in the council of the empire. So long as the Indian Army produces such men as those who have just passed away, so long will it maintain its position as a potent factor in that greater Imperial Army which will, in the future, embrace still more closely all the constituents of military power in the widespread empire of our Sovereign."

The Hon'ble MR. DAWKINS said:—"I will begin by addressing myself first to the observations of my friend the Hon'ble Mr. Allan Arthur, whose willingness to place his advice and knowledge at the disposal of Government I should like to take this opportunity of cordially acknowledging.

"In discussing the history of this season in the Financial Statement I remarked that the Exchange Banks had not brought out as much money as usual before Christmas to India, they having had profitable employment for their funds at home, and that this, together with other reasons, contributed to the rush for telegraphic transfers after the New Year, and the decision, which was in consequence forced upon the Secretary of State, to limit transfers by raising the rate. It has been essayed to qualify my remark by some figures supplied to the Hon'ble Mr. Allan Arthur to prove that the Exchange Banks brought out not less but more money than usual before Christmas. My hon'ble friend has had the courtesy to show me those figures. I have tried to have them checked, a laborious task, from the registers of the Comptroller-General, and I only received the results last night, but I regret to say that I cannot accept the figures supplied to him as absolutely correct. And there are other elements to be taken into consideration, and other ways by which the Exchange Banks bring out money besides Council drafts, so that I doubt whether this form of comparison, even if I accepted the figures, would be conclusive. However, any discrepancies in these figures do not really matter much; nor could they invalidate my main argument, which was, and is, that, as the Exchange Banks very naturally and properly employ their money out of India when they can employ it out of India more profitably than in India, their assistance to Indian trade cannot be depended upon as an absolutely certain factor. This is a reason which contributes to the undue reliance of trade on Government, and indeed this year the Exchange Banks themselves wanted to have an assurance that they could borrow money from the Government, a demand that might reasonably be held to indicate that, even if the funds they were bringing out were equal in actual amount to those brought out in previous years, they were not proportionately sufficient with reference to the requirements of this year. Then, again, the insufficiency of funds here, when rates fell in London and set free money to seek employment in India, resulted in a rush for telegraphic transfers mainly on the part of the Banks which led to the Secretary of State's action in raising the rate. I do not think I need justify or explain the Secretary of State's action. His reasons, and they are convincing, are given in the Despatch published in last Saturday's *Gazette*. I must say, with all deference, that this incident seems to me to have been exaggerated out of all shape and proportion. My hon'ble friend still seems to hanker after the idea that the Secretary of State should bind himself down to a maximum rate. Why should the Secretary of State give an undertaking that may be illusory? If the circumstances of this year repeated themselves, would my hon'ble friend deny that it was the first duty of the Secretary of State to ensure the stability of our currency? That there will be a practical maximum, I think, with the experience of this year to guide us in future, is fairly certain. My hon'ble friend would like to fortify that certainty, and to provide for a regular automatic conversion of gold into rupees by so amending the Gold Note Act of 1898 when it is prolonged, as Government has undertaken to do, as to empower the Government of India to issue notes or

rupees against silver in transit purchased by gold tendered in London under the Act. This would be definitely providing for the instant conversion of gold received into silver; for the more immediate supply of rupees for the presentation of gold, which I may say, in answer to the Hon'ble Maharaja of Darbhanga, is the measure of the coinage of silver. I may say that personally I have much sympathy with my hon'ble friend's suggestion, though, at the same time, there is something to be said against introducing any change into the Act until we have had somewhat longer experience of gold as legal tender. I think I ought also to beg my hon'ble friend not to dangle the profits on silver too conspicuously before the eyes even of a most virtuous Government. Once let these profits become a determining factor in your action, then goodbye stability. However, I am certain his valuable suggestion for amending the Act II in the direction I have described will receive every consideration at the hands of Government.

"My hon'ble friend has also referred to the question of giving the Banks access to the Paper Currency Reserve in India. He must excuse me if I do not go fully into a question which is now under the consideration of the Secretary of State. But I fear that personally I do see on this question eye to eye with him. Nor can I for one moment understand or accept his statement that the Presidency Banks are the only Central Banks in the world that receive no assistance from the Paper Currency, or that 'in all countries with the exception of England the Currency can be readily expanded by issuing fiduciary paper.' We all hear a good deal of German expansion in these days, but my hon'ble friend is really anticipating a colossal expansion, in seeing that exceptional institution, the Imperial Bank of Germany, which works under conditions that do not exist in India, painted generally over the globe.

"I am afraid the change in the entry under the Famine Insurance grant from Reduction to Reduction or Avoidance of Debt has failed to commend itself to the Hon'ble Kunwar Sir Harnam Singh. Yet I submit it is quite clear and has a reason. If, *ex-hypothesi*, we have to find three crores for railway construction, and instead of borrowing three crores only borrow two crores and provide one from the unappropriated balance of the famine grant, surely we avoid debt. My hon'ble friend further suggests that an unappropriated balance should be invested in a separate fund, a suggestion in which I understand he is supported by the Hon'ble Mr. Ananda Charlu. I really cannot see the advantage of this. You would, on the one hand, invest a crore raised by taxation, and you would, with the other hand, borrow a crore, the interest accruing on your investment balancing the interest you pay on your loan. The only imaginable advantage of such a plan would be if, when famine came, Government could not find funds to meet famine expenditure, — an almost inconceivable state of things. This is not the case. My hon'ble friend also views with some misgiving *the cashing of postal orders in Presidency-towns in gold among a people* accustomed, for centuries, I understand him to say, to the exclusive use of silver coins. History hardly bears my hon'ble friend out in this latter assertion. Gold used to circulate till fifty years ago pretty freely in Southern India, and to some extent in Bengal. Indeed, when Lord Dalhousie demonetised gold, he received some earnest protests against his action, curious enough reading they are, from the native community. I think the notification need cause no misgiving. We did not issue it till people had themselves shown their desire for gold by voluntarily taking over £130,000. We are therefore proceeding gradually. Nor does my information tally with my hon'ble friend's as to sovereigns being sold in the bazar with a batta. I have made a good many inquiries. I was told that this was the case at first, but has now ceased to be the case, and that sovereigns are passing freely. And the fact of their circulating freely is corroborated by the evidence of the Director-General of the Post Office. Very few complaints, and those only in the first three days, I think, were reported to the Director-General as being made to the payment of postal orders in sovereigns. Since the order came into force, £34,000 have been paid out by Post Offices in Calcutta, £13,500 in Bombay, £3,500 in Madras, and over £1,000 in Rangoon. The Currency Offices have also continued to pay out gold, though, as was to be expected, some gold, no doubt some of the gold paid out by the Post Offices, has been returned to them. The further issues of gold from Currency Offices since March 10th,

when the amount was £130,700, to March 24th, have been £113,500, making a total of £244,200. The Presidency Banks have also issued gold in payment of Government cheques to the extent of, oddly enough, another £113,000. The issues to the public, as the Post Offices draw gold either from the Banks or Currency Offices, are represented by the sum of the last two figures, £358,000, taken by the public since we began to offer gold on January 15th.

"The Hon'ble Mr. Smeaton has raised two questions on behalf of his prosperous province Burma. The first relates to the incidence of the duty on local salt, paid in the form of what is called composition on vessels used in its manufacture. There appears to be considerable diversity of view on this subject in Burma, and much doubt as to whether in any case the local industry is not doomed. The Financial Commissioner himself, I think, has expressed an opinion that the extinction of the industry, if gradual, would not do harm. But the position of the industry is complicated by the question of the Government fisheries, though I believe that any difficulties in this connection could be got over by adopting the Madras system of special issues of salt for fisheries at privileged rates. However, the Government has no intention of going about to compass the extinction of a local industry. But I am not sure that the question will not soon arise of raising the salt-tax in Burma to the same rate as in the rest of India. The problem before us now is so to raise and adjust the duty on local salt as to enable it to compete fairly with, but not to be protected against, imported salt paying a tax at one rupee per maund. For I think it must be recognized that the local duties are in some places too low. We have an instance of the composition duty in Bassein working out at five annas per maund. Well, this gives an allowance for water with a vengeance. I cannot quite convince myself—I hope I do Burma no injustice—that if anything there is not a shadow of a desire there to give the duties just a little gentle protectionist turn in favour of their local salt. My hon'ble friend dissents. But my suspicions have been fortified by his desire to reduce or keep the duty low because the cost of production is high. Such a principle worked out to its logical conclusion would carry us very far. You could not vary the excise on cotton because one mill works cheaper or is nearer a railway than another. However, the subject is one still under the consideration of the Government of India.

"With regard to the second point, I am glad to learn from my hon'ble friend that the arrangement now made for giving telegraphic transfers in Calcutta or Rangoon at a fixed commission of $\frac{1}{4}$ per cent has given satisfaction. I believe Rangoon will find that the arrangements will satisfy all requirements. To grant Council Bills on Rangoon is impracticable; and I shrewdly suspect that the Hon'ble Mr. Smeaton's Rangoon clients know this, but threw in this demand to make sure of getting the transfers. I am afraid the payment of Councils half in gold and half in silver would not get over the difficulty. My hon'ble friend desires to complete the facilities for Rangoon by giving transfers not only in Calcutta, but in Bombay. I doubt whether this will be found necessary in practice. But there is no reason against the extension of the arrangement, though the commission to be paid in Bombay may have to be somewhat higher than in Calcutta.

"The Hon'ble Mr. Mehta propounds certain interesting questions which certainly could not be exhausted in this debate. Mr. Mehta asks, if I heard him aright, whether 'deficits owing to exchange were not turned into overflowing surpluses by the differences coming from the pockets of the people,'—a somewhat cryptic sentence. I understand Mr. Mehta by this to suggest that though a declining exchange may have embarrassed Government, yet it may have increased the popular wealth. I think if Mr. Mehta will look at the annual trade returns, he will find that the largest trade returns are by no means coincident with the lowest or with a falling exchange. In fact, it is difficult to establish any relation between a low exchange and large exports, and the people who urge the plausible theory of a depreciated rupee stimulating exports have a very bad quarter of an hour when they come to look at statistics. Mr. Mehta also means, I think, that the enhancement of the rupee may operate to some extent as an indirect tax on producers by lowering prices. This is a most intricate and difficult question. The facts, as we know, seem to point to

the enhancement having had little or almost no effect of the kind. But, assuming the appreciation of the rupee had had such an effect, that effect measured in rupees would certainly be much less than the direct taxation to which Government would have been obliged to resort if, for instance, we had an 11*d.* rupee to-day, and had to raise the same number of rupees as to-day.

"The Hon'ble Mr. Mehta is also disposed to challenge our small surplus of twenty-four lakhs as fictitious. He thinks we have taken land-revenue too high next year, and so does the Hon'ble Sir Harnam Singh, that we have not allowed sufficiently for the depression of the people, the loss of cattle, etc. This may be a matter of opinion. But I can assure my hon'ble friend that the estimates have been cautiously framed by the Revenue and Finance Departments in consultation with Local Governments, and with good rains next year we expect to see them justified. For his own Presidency we have accepted without any modification the estimates of the Local Government. Mr. Mehta asks for some figures of plague expenditure. He correctly states that in the Budget Estimate of 1899-1900 provision to the extent of about 12½ lakhs was made for direct expenditure on plague in Bombay, and asks what became of that amount, whether it was 'absorbed.' I don't know about its being absorbed, but it was duly spent, indeed more than this was spent, for the Imperial Government made a contribution to Provincial Revenues of 12½ lakhs for plague account, and in addition a special contribution of about a lakh, to cover the cost of the Research Laboratory. The distribution of this sum or otherwise among the Municipalities is a question for the Government of Bombay. I may with advantage lay on the table a statement showing the direct expenditure on plague in the Revised Estimate of 1899-1900, and the Budget Estimate of 1900-1901 :—

Direct expenditure for the prevention of plague.

	Revised Estimate, 1899-1900.	Budget Estimate, 1900-1901.
	₹	₹
India	2,50,000	2,17,000
Central Provinces	1,22,000	1,21,000
Assam	12,000	15,000
Bengal	5,42,000	3,75,000
North-Western Provinces and Oudh	2,92,000	3,10,000
Punjab	1,31,000	59,000
Madras	5,87,000	3,73,000
Bombay	15,72,000	15,38,000
TOTAL	35,08,000	30,08,000

"It is also a complaint that Civil Works in Bombay have been cut down. I am afraid when famine and plague are raging you cannot carry on everything else on a normal scale. If you have heavy doctor's bills to pay in a private house, you are often reduced to curtail some customary expenditure. But Mr. Mehta has an absolutely dogged, rooted and radical objection to our small surplus. If he cannot make it disappear in some other way, he has, at any rate, one last way of polishing it off—a final Happy Despatch. Give it to Bombay, he cries. Now I have every sympathy for the sore trials—and very sore trials they are—of the Western Presidency, but assuredly, as the French say, the appetite does come by eating. Bombay is receiving from Imperial Funds 248 lakhs, all she asks for on account of famine, and over 34 lakhs for a general grant-in-aid, for other objects, including plague, some 283 lakhs in all. And Mr. Mehta wants to try her digestion further with our little surplus.

"The Hon'ble Mr. Spence has brought to notice that there is no account given in the Financial Statement of the Provincial balances. I am afraid I must confess this omission, but I can only say that the entry of the Provincial balances as regards very many of the Provinces have been so entirely fictitious that we thought it was hardly worth putting these entries in. I have no doubt that in another year, when this entry will become, as I hope it will become, less fictitious as regards my hon'ble friend's own province, it will be duly put in by the Department.

" In conclusion, after conveying my thanks to my colleagues in this Council for their kind language in reference to myself, there remains one other pleasant duty before me, and that is to express my most sincere thanks to the members of the Finance Department for the hearty co-operation and support accorded to me during this year. And above all my thanks are due to the Secretary, Mr. Finlay, whose loyalty, knowledge, and zeal are above all recognition, and who has most ungrudgingly in every way given to me of his best."

His Excellency THE PRESIDENT said :—" I should like to thank Hon'ble Members for the readiness which they have shown to act upon the suggestion which I ventured to make at the beginning of this sitting, namely, that such parts of their proposed speeches as dealt with matters of a technical character, or were likely to extend to unusual length, should be taken as read, and should be laid upon the table for subsequent publication in the Gazette.

" In closing this last debate of the present Session of Council, I am constrained to admit that it has not been a Session very prolific in legislation. It has not, for that reason, been, in my opinion, any the worse. On the contrary, I think that we opened the Session with too full a wallet. Our Session is, owing to the conditions of our life at Calcutta, necessarily limited in duration. All the stages of legislation, after the preliminary enquiries and introduction of the various Bills, have practically to be got through in the space of three months. In the case of small or uncontentious measures this is enough, and more than enough. In the case of an important measure, which has been long debated, and has probably only reached the stage of legislation after years of previous discussion, it may also be sufficient. But I doubt if it is sufficient in cases where several important measures may be simultaneously on the Agenda paper, and where, in the course of examination of the Bills themselves, acute difference of opinion may be developed, or alterations may be made in a Bill in Select Committee or elsewhere that radically affect its original character. In such cases I would sooner be charged with undue caution than with extravagant haste. We are free in India from the particular temptation that impels Governments to legislate at all hazards in the British Parliament, namely, the desire either to fulfil the promises sometimes rashly given upon platforms at a previous election, or to establish a better record than their political opponents for the purposes of the ensuing one. Being free from these temptations, and having no standard of action beyond our own sense of responsibility, and of the public needs, I think that it behoves us to legislate sparingly, to look very closely to the quality, and not too much to the quantity, of our output, and, while very jealously guarding the duty of Government, which is to lead public opinion, and in no way to abrogate the supreme authority vested in us—at the same time not to push our measures through with undue precipitation, above all, not to give to any party or interest the idea that its views have been imperfectly considered, or contemptuously brushed aside.

" For these reasons we have, during the present Session, postponed the Assam Labour Bill, upon which we did not receive, until too late a date, all the replies that we had asked for; and the Coal Mines Bill, in which amendments so substantial were introduced in Select Committee, that we felt it desirable again to consult the Local Governments, before proceeding further with the Bill. It was on similar grounds that I announced the withdrawal of the Press Messages Bill ten days ago. Now there may be some people who may make this series of postponements a source of reproach, and may interpret them as a sign of weak or distracted counsels. I do not think that, at any rate in the present case, there would be the slightest justification for such a reproach. Speaking for the rest of my colleagues as well as myself, I can truthfully say that we have acted only after careful deliberation and in the public interest; and I believe that our decision has been ratified by public opinion, and has been acceptable to the majority of Hon'ble Members who sit upon this Council. For my own part, I say unhesitatingly that, in proportion as our Legislative machinery in India is prompt and powerful in its action, and is free from many of the clogs that impede legislation in England—so should it only be employed with much forethought and deliberation. That does not mean for a moment that Government must never pass unpopular Bills. All legislation is unpopular with somebody; and I have seen enough of Parliamentary life to have heard the most salutary measures denounced as iniquitous at the time of their introduction, and to have seen Statesmen and

Governments savagely abused for the passing of Acts which were afterwards extolled as their principal title to fame. I daresay, therefore, that this Council in my time will pass some Bills that will be stoutly resisted and roundly assailed. All I hope is that we shall not be guilty of the particular vice of legislation in a hurry.

"Passing from these general considerations to the discussion in which we are at present engaged, it will, I am sure, be the opinion of all who heard the Hon'ble Mr. Dawkins last Wednesday, that he placed before us a clear and even luminous statement, dealing with a large variety of subjects, and a great mass of figures, with the easy confidence that betrays the hand of the master and wins the confidence of the pupil. I am sure that we all of us regret that we shall not listen to many more such statements from his lips, and that the Government of India will not profit in future years by Mr. Dawkins' wide experience and expert counsel. He is unfortunately leaving us, after a too brief period of Indian service. During that time he has had to contend with circumstances representing a transitional phase in our financial history; and he has further seen all prospect of a notable Budget, of a large surplus, of great schemes, of a sensible relief of taxation—in fact, all the legitimate aspirations of a financier—stolen from him by the sad famine against which we are now struggling. One by one, therefore, his Spanish castles have been dissolved in thin air, and he has been compelled to present a curtailed programme and a stern business statement, in which, if there is nothing startling or sensational, it is yet a matter of sincere congratulation, not merely that equilibrium is maintained, but that a slight surplus is even estimated for the forthcoming year. Nevertheless, in his year of office Mr. Dawkins has not failed to leave his mark, and it will be found to be a durable mark, upon our financial history and system. He has successfully inaugurated the new era under which the sovereign has become legal tender in India, and stability in exchange has assumed what we hope may be a stereotyped form. This great change has been introduced in defiance of the vaticinations of all the prophets of evil, and more especially of the particular prophecy that we could not get gold to come to India, that we could not keep it in our hands if we got it here, but that it would slip so quickly through our fingers that we should even have to borrow to maintain the necessary supply. As a matter of fact, we are almost in the position of the mythological king, who prayed that all he touched might be turned into gold, and was then rather painfully surprised when he found that his food had been converted into the same somewhat indigestible material. So much gold, indeed, have we got, that we are now giving gold for rupees as well as rupees for gold, *i.e.*, we are really in the enjoyment of complete convertibility—a state of affairs which would have been derided as impossible by the experts a year ago. Mr. Dawkins has further introduced several useful reforms in the method of stating our accounts. That delusive column that appeared to represent Loss by Exchange has vanished. The dreadful and bewildering symbol of Rx. has been politely bowed out of existence. I remember last year, when still a newcomer from England, and before I had become accustomed to the multiplicity of Indian financial symbols, being considerably puzzled at the occurrence in the same statement of no less than five different methods of computation, *viz.*, Rupees, Tens of Rupees, Pounds Sterling, Lacs, and Crores. Now, I have never myself understood why finance, because it is complex, need also be made obscure. But Mr. Dawkins is one of the few financiers whom I have found willing to subscribe to that elementary proposition. A useful step has also been taken by him by which the only public works that will in future be charged against the Annual Famine Grant, or as it is sometimes called, Famine Insurance Fund, of 1½ crores —will be works that are designed and executed exclusively as a protection against famine. This does not mean that such works can be brought up to the full margin of the grant, for protective public works are necessarily limited in number. What it does mean is that the allocation of the grant for such famine protective purposes as are available will be more easily traceable, the unappropriated balance being devoted as now to avoidance of debt. Perhaps in this respect we may be able to carry correct definition even further in the future. During his term of office Mr. Dawkins has further adopted a liberal policy in his attitude towards banking and other enterprise in this country: and if he has not been here long enough to carry to a final conclusion the important question of

banking amalgamation or reform, he has appreciably expedited the solution of the problem, and has facilitated the labours of his successor by the free and fearless discussion which he has inaugurated, both in private conference and in public despatch, upon this momentous issue. Finally, in the reply to which we have just listened, Mr. Dawkins has shown an ability to meet the criticisms which have been passed upon his Budget in the course of this debate which renders it a cause of additional regret that this is the last occasion on which we shall listen to a similar performance from him.

"Such are some at any rate of the services which have been rendered by our retiring Finance Member. I now pass to an examination of certain features in the Budget, and of the observations that have fallen from some of my Hon'ble Colleagues this afternoon.

"It has been made abundantly clear that the main source of disturbance in the calculations, both of the past and the ensuing financial year, has been famine. But for famine Mr. Dawkins would have had a great surplus, and might have introduced what is generally known as a popular Budget. Let me endeavour to give you an idea of the extent to which this cyclonic disturbance has affected, and is still affecting, India. I put on one side for the moment the fact which is known to you ,all from the weekly Gazette, that we are now engaged in relieving in one form or another, nearly 5,000,000 persons, more than the entire population of many not inconsiderable States. Such a thing has never been heard of before in the history of Indian or indeed of any other famine. How greatly this famine transcends in importance its predecessor may be illustrated by the fact that in the Central Provinces, the centre of the deepest scarcity, both in the famine of 1897 and now, whereas at the height of the 1897 famine, *i.e.*, at the close of the month of May, less than 700,000 persons were in receipt of relief, on the present occasion, 1½ million of persons are already receiving relief at the end of March. In one district alone, that of Raipur, over 30 per cent. of the whole population are upon relief, *i.e.*, 500,000 persons, out of a total of 1,600,000, are being supported by the State. In four districts of Bombay between 20 and 30 per cent. of the entire population, in three districts of Berar 20 per cent, and in the Ajmer-Merwara Division 20 per cent., are on relief.

"But let me represent the severity of the affliction to you from another point of view. I see it sometimes stated, and the critics of British rule in India are very fond of this argument, that the real causes of recurring famine are not the failure of rain, the exhaustion of the soil, or the loss of crops, but the pressure of land taxation and the drain upon the resources of the people. Now I cannot pause to-day to discuss the question of land assessments. We have listened to some interesting observations on the subject from Mr. Bose, the Maharaja of Darbhanga, and Mr. Mehta. What they have said will have the earnest attention of Government. But I may point out, in terms of pounds, shillings, and pence, exactly what a great Indian drought does involve in the destruction of agricultural wealth; and those who hear the figures may then judge how far any revision or modification of our revenue system, putting aside the question whether it be or be not desirable or feasible, would of itself alone enable an agricultural population to stand the shock of a calamity at once so sudden and so devastating.

"The wheat crop of India averages 6 million tons, worth at least £24,000,000. This year the estimates received from the provinces point to a crop of about 3,000,000 tons. Even if we allow that the money value of these 3,000,000 tons in a famine year is greater than in an ordinary year, we yet cannot put the losses of the Indian agriculturist on this one crop alone at less than from £8,000,000 to £10,000,000. Take another great staple crop—cotton. The Indian cotton crop averages in value £12,000,000 sterling. This year its outside value does not exceed £5,000,000, or a loss of £7,000,000 sterling. A third great crop is oilseed, namely, linseed and rapeseed. It ordinarily covers 18 millions of acres. In the present year this crop is practically non-existent outside of Bengal, the North-Western Provinces, and Oudh.

"These losses, great as they are in relation to the annual produce of India,

as a whole, are still greater in relation to the produce of the famine region, to which they are practically confined. I will take the case of a single province. A very careful return of this year's harvests of food-grains has just been received from Bombay. On a very moderate computation, the loss to the cultivators in that Presidency, as compared with the value of the harvests in preceding years, has been £15,000,000. They have also lost about £4,000,000 on their cotton crop. What they have further lost in the matter of cattle it is impossible to conjecture, but the figures must be enormous.

"These facts appear to me to be sufficient of themselves to explain how it is that the present famine is so terrible, and the distress so great; and how impossible it would be for any Government to anticipate the consequences of a visitation of nature on so gigantic and ruinous a scale.

"Now let me turn to the financial aspect of the famine. The cost of famine to the Government of India is incurred in a number of different ways, in direct famine grants to the Local Governments, in the decrease of revenue arising from suspensions and remissions, in indirect expenditure, and in increase of prices. Summarising these heads, I find that the cost of the present famine, partly estimated, partly already incurred, will be somewhat as follows. Famine relief in the past year, 308¼ lakhs, in the ensuing year, 500¼ lakhs; loss of revenue in the past year, 236 lakhs, in the ensuing year, 121 lakhs; compensation for dearness of provisions and increase in cost of food-supplies in the past year, 37 lakhs, in the ensuing year, 71 lakhs, or a grand total of over 12¾ crores, or nearly 8½ millions sterling. To this should be added the temporary cost of other direct charges, such as loans to Native States, amounting in the past year to 48 lakhs, in the ensuing year to 75 lakhs, and agricultural advances amounting to 37¾ and 20 lakhs in the two years, respectively.

"So much for the financial aspect of famine. Perhaps the figures of cost, when viewed alongside of those of the numbers of persons affected, and the loss of crops involved, may give to the public some sort of idea what a great famine in India means. That to some extent its magnitude has already been realized in England is, I think, clear from the liberal contributions that are now pouring in upon us from British sources I am confident that I shall not err if I take advantage of the present opportunity to express our united acknowledgments to the Lord Mayor of London, in particular, and to the Lord Mayors and Mayors of other great towns in Great Britain and Ireland, for the patriotic readiness with which they have inaugurated the various relief funds, and also to the generous British public for the splendid manner in which, in the midst of all their distractions, they have remembered our sorrows, and are, weekly and daily, giving of their substance for India's relief. We have done our best for them in respect of their war; and they are nobly repaying the obligation in respect of our famine. Nor must we fail to include in our thanks those British Colonies in both hemispheres who are once again showing a most practical sympathy with our misfortunes; and whose union with the mother-country and with her great Asiatic dependency, whether it be for the purpose of conducting a war, or for that of alleviating the suffering of the masses—strikes a harmonious and resounding note at the dawn of a new century, which will re-echo throughout the world.

"When in the month of December last a warning Circular was issued by the Government of India concerning relief tests and relief distribution, apprehension was expressed in some quarters that its purport might be misunderstood by the Local Governments, who might thereby be led to restrict relief to a dangerous degree, and to read into the cautious utterances of the Supreme Government, a hint that relief *must* be contracted, and expenditure curtailed, however urgent the requirements of the people. The Circular has now been in operation for three months. The numbers upon relief are in themselves sufficient to show how little ground there was for the apprehensions which I have quoted. On the other hand, we know from the replies of Local Governments that our insistence on the proper application of tests and precautions, and on the limitation of relief to the strict necessities of the case, was greatly needed; and that our warning has led to very desirable reforms. We are satisfied from the reports as to the health and general condition of the people in the distressed tracts which we constantly receive that sufficient relief is being

given, and we also have the best of reasons for believing that, had not the conditions of relief been made more stringent, and had not additional precautions been applied, the State would now be engaged in the support of many who were by no means at the end of their resources.

"There remains one more test which I should like to apply to our famine-relief system. I refer to the test of the deathrate. I have called for the figures, and I have been astonished at the number of famine-stricken provinces and districts in which the mortality is scarcely at all in excess of the normal. In the Central Provinces, there is only a single district in which the excess is so marked as to attract attention. I saw a letter a day or two ago from a visitor to the worst area in that province, and he reported that there was little to distinguish the persons upon relief-works from labourers engaged upon Government work in ordinary times. I understand the same impression to be borne out by the personal experience of Mr. Rees. Contrast these facts with the shocking mortality in the last famine. In some of the districts of Bombay, in Berar, and in Ajmer, where the deathrate has risen, the chief cause of the deaths attributed to privation is the enormous influx of destitute refugees from the neighbouring Native States, where the same perfection of relief-works, and the same care for the life of the people do not exist. I am afraid that in many of these States deaths from starvation are numerous. Jaipur is managing its own relief generously and well; but in January 1,250 deaths from starvation were reported, mostly wanderers from Marwar. In the same month, 250 starvation deaths were reported from Kotah. In Udaipur, which has been very backward, there were 1,100 starvation deaths in January, and 3,250 in February. I might quote other and similar cases. The problem in Native States is a difficult one, arising from the want of experience of the Durbars, the complete novelty to many of their number of the principle itself of State-relief, the lack of organization, and the wild character of some of the hill tribes. Many of the Native princes have shown wonderful energy and public spirit. But the real efficacy of the system adopted by the Government of India is best shown by contrasting it with that which prevails in adjoining tracts not directly under British administration. The experience of such a famine as this is enough to extinguish for ever the fallacy that these visitations are less severe in their incidence, or less calamitous in their result in Native territory than they are in British India. The figures and facts prove irrefutably an entirely opposite condition of affairs.

"Now in connection with Famine, there are two classes of remedial or preventive measures frequently suggested to us, about which I should like, at this stage, to say a word. The employers of labour in India are in the habit of saying—'Here we are in great straits for want of labour in our mines, our factories, or our mills. On the other hand, only a few hundred miles away are thousands of able-bodied persons, who are only being saved from starvation by the intervention, and at the cost of Government. Why does not Government spare its own pocket, and at the same time help us, by moving these people from where they are not wanted to where they are? Nothing, indeed, can sound more simple on paper But nothing is more difficult in practice. In the first place, human labour, and particularly native labour, is not like a cartload of bricks, or gravel, or stones, which can be taken up here and dumped down there, wherever you please. In the second place, we and our officers have too much to do in time of famine to be able to convert Government into a sort of vast Emigration Bureau. For such a purpose is wanted a close enquiry into the conditions of labour, the organization of transport, protection of the labour when transported, and so on. If we undertake to move these large batches of men, we shall also, if the experiment proves a failure, be held responsible, and shall have to bring them back again. In all likelihood very many of them would die on the way. Now that is not primarily our business. It is emphatically a case in which capital should help itself, and should not shift its own responsibility on to Government. It is the business of Government to lend every assistance in its power, and that I would most gladly do. But I should like to see the employers of labour a little more willing to help themselves. I know that, if I were one of their number, and were in need of labour, I would have my agents out at once, travelling here,

there, and everywhere, and picking out the stuff that I wanted in suitable provinces and localities.

"The second suggestion that is frequently made to me, I admit as a rule from the outside of India, where I am afraid that a good deal of ignorance of the actual position prevails, is that the obvious method to stop famines is to introduce irrigation. Some of these writers seem to plume themselves upon the originality of the idea, and to be unaware that such a thing as irrigation has ever been heard of in India, or has been so much as attempted here. They do not seem to realize that irrigation has been going on in India for quite a considerable number of years, that about 19 millions of acres in India are already under irrigation, and that upon the works so undertaken has been spent a capital outlay of no less than 25½ millions sterling. Worthy people write me letters based upon the hypothesis that any Indian river which ultimately discharges its waters into the sea is really so much agricultural wealth gone astray, which somehow or other the Government of India ought to have got hold of at an earlier stage, and turned into crops and gardens. Now I have had a very careful estimate made out for me of the extent of *fresh* ground in the whole of India which we are likely to be able to bring under cultivation, either by new irrigation projects, or by extensions of existing systems. Under the head of Productive works, *i.e.*, works which may be expected to yield a net revenue that will more than cover the interest on the capital outlay, the estimated increment is about 3½ million acres, and the estimated outlay between 8 and 9 millions sterling. Under the head of Protective works, *i.e.*, works which will not pay, and which inasmuch as thay constitute a permanent financial burden on the State, can only be undertaken in exceptional cases, and then as a rule do very little towards the prevention of famine, we contemplate spending about 10 lakhs a year, and shall probably in this way about double the area of 300,000 acres which is covered by that character of work at the present time. It seems therefore that the total practicable increase to the irrigable area of India under both heads will not amount to much more than 4,000,000 acres. This increase will, of course, be of value in its addition to the total food-supplying area of the country, in the employment of labour thereby given, and in its effect upon prices in time of famine. But I am afraid that it cannot be expected to secure immunity from drought to districts now liable to famine, or to help directly their suffering inhabitants. Indeed, when a desert tract is brought under cultivation, a stimulus is given to the growth of population, and more mouths have in time to be fed. The fact remains that the majority of the irrigation-works that were most feasible, or most urgently required as protective measures against famine, have now been carried out, and that there is not in irrigation that prospect of quite indefinite expansion with which the popular idea sometimes credits it. At the same time, I am so much in agreement with the general proposition which has received a good deal of support from many quarters in the course of the present debate, that irrigation should be encouraged, both because of the extension thereby given to the growth of food-supplies in this country, and because, in the case of what are known as Productive works, of the extraordinarily remunerative character of the capital outlay, that I have inaugurated, since I came to India, a definite and, as I hope, a permanent extension (so long as we can find the works to undertake) of our Irrigation programme. In my predecessor's time, the annual Irrigation grant amounted to 75 lakhs. Last year I persuaded Sir James Westland to increase this; and in the financial year just expired we have spent 90 lakhs, some of it being directly applied to the provision of labour in famine districts; while during the forthcoming year, in spite of the general curtailment of our programme owing to famine, I have prevailed upon Mr. Dawkins to fix the Irrigation grant at 100 lakhs, or one crore of rupees. I am hopeful that generosity in this respect will not be a misplaced virtue, either in the direct returns that it will bring in, or in its general effect upon the prosperity of the country. For the reasons that I have named, I doubt whether irrigation can continue to do as much in the future as it has done in the past, owing to the gradual exhaustion of the majority of the big schemes. Still even if our sphere of action is less grandiose and spacious than in bygone days, I believe that, for a long time to come, and certainly during my day, we shall find more than enough to occupy our funds with smaller and less ambitious designs.

"I pass to the question of military expenditure. The principal military incident of the past year has of course been the campaign in South Africa, to which we have lent a force of rather over 8,000 British officers and men from India, as well as some 3,000 Natives for non-combatant services. Now, I myself should have been glad if the British Government had seen their way to employ some of our gallant Native regiments, infantry, and perhaps still more cavalry, as well; and at an early stage in the war, I made the offer, on behalf of the Government of India, to send a large force. I should have been willing to send 10,000 men. I believe that had the offer been accepted, it would have provoked an outburst of the heartiest satisfaction in this country, where the manifestations of loyalty have been so widespread, and, in my opinion, so conspicuously genuine. You must not imagine for a moment that the Home Government were indifferent to the offer, or were unconscious of the great display of patriotism in India that would have more than justified its acceptance. They were as well aware of these facts, and as grateful for the spirit displayed, as has been Her Majesty the Queen-Empress, who, throughout the war has not ceased to press upon me her desire that I should lose no opportunity of testifying her admiration for the devoted loyalty of the Indian princes, the Indian army, and the Indian people. Nor did the refusal of the offer involve the slightest slur upon the Native army. It was refused for more reasons than one. It was thought undesirable to import any racial element into the contest. The British on one side were engaged in fighting the Boers on the other; and, had other combatants been engaged, it might not have stopped at Indian forces. There was the further consideration that, had Great Britain transferred a portion of her great Indian army to fight her battles in South Africa, an impression might have been produced that her own strength in white men was not sufficient for the strain of a second-class campaign; an impression which might have had unfortunate consequences in its effect upon a local population perpetually hovering on the verge of revolt. For these reasons the offer was declined.

"Now, it cannot be expected for one moment that a war so momentous—revolutionising all our ideas—and not ours alone, but those of the entire world—upon questions of armament, of tactics, and of the whole science and practice of warfare—should pass by without leaving a direct impress upon the military policy of India, as it will do upon that of every military power in the globe. A storm has taken place in the great ocean, the commotion caused by which will be felt thousands of miles away on every beach and shore. Here, as elsewhere, we shall require to set our own house in order, to overhaul our military machine, and to profit by the lessons learned. We have already set to work to do it. Do not imagine that these sorts of reforms can anywhere be undertaken without an additional outlay. The first result of the Transvaal war will, I firmly believe, be an increase to the budget of every military nation in the world. If two small republics, however rich in money and in guns, could stand up for four months against the main strength of the British army, and could put the British nation to an expenditure which, before the entire bill is paid, may be nearer to 100 millions than 50, are we to stint the annual expenditure that may be required to protect this vast Empire of India, as large as the whole of Europe without Russia, against the infinitely more formidable dangers by which it may one day be threatened? I venture to say that no sterner critic, and no more uncompromising foe of extravagance, or of levity in military expenditure, has ever entered the offices of the Government of India than myself. But at the same time, as head of that Government, I know my responsibilities, and, if my colleagues and I are convinced that the military protection of India against the perils by which she may be menaced absolutely require that this or that expenditure should be incurred, we shall not flinch from undertaking it. My greatest ambition is to have a peaceful time in India, and to devote all my energies to the work of administrative and material development, in which there are so many reforms that cry aloud to be undertaken. I see no present reason why those aspirations should be interrupted or destroyed. But I do not wish or mean to place myself in a position in which later on, should the peril come, public opinion shall be able to turn round upon me and say, 'We trusted you; we would have given you what you asked for the legitimate defence of India. But you neither foresaw the future, nor gauged the present; and yours is the responsibility of failure, if failure there be.'

"I say then that I see no chance of a reduction in the military estimates for some time to come. There are many respects in which we can save, or in which expenditure can be overhauled, scrutinised, and cut down. In the present and following year, we shall make a very considerable saving in consequence of the Frontier Policy which has been inaugurated during the past 12 months, and in the withdrawal of regular troops serving beyond our administrative frontier. There are many such fields of possible reduction. But the sum total of these economies is small in relation to the heavy items of expenditure that cannot possibly be escaped. Take re-armament alone. Sir E. Collen has told us in his Memorandum that the cost of re-arming the Native army and Volunteers in India with a Magazine rifle will amount to 1½ crores by itself, and yet who would urge for a moment that the expenditure should not be undertaken, or should be unduly delayed? If we are spending over 12 crores in two years, as I have remarked in an earlier part of my speech, in saving 50 millions of people from the peril of death by starvation, shall we grudge the crores that may be required to save 300 millions of people from the perils—almost worse than death—of disorder, and anarchy and chaos that might ensue were the British arms on or beyond the frontiers of India at any time to experience a serious disaster? Let not any one carry away the idea that because for a few months, or even for a year, we have been able to spare 8,000 of our British troops for Africa, the British garrison in India can be permanently reduced by that amount. There can be no more complete or foolish illusion. Because a man lends for a night the watchdog that guards his house to a neighbour who is being attacked by robbers, does it, therefore, follow that his own house will be able to get on in future without protection? There is always some risk in denuding India of any considerable portion of her garrison. That risk is greater or less according to the conditions of the time, and the attitude of neighbouring powers. It was present upon the present occasion, and the late Commander-in-Chief and I, in deciding to lend to Her Majesty's Government a certain number of troops for South Africa—and here let me remark in passing that the papers have been wrong in speaking of the demands or orders of Her Majesty's Government, seeing that the latter have never done, and could not do, more than ask us to lend what we might be willing to spare—took upon ourselves to run that risk. But because we are likely to surmount it successfully on this occasion, would it be statesmanship to make the risk permanent?

"I wonder if those persons who employ this curious argument would have said that, if we had been able to accept the offers of the various Native Princes who so loyally proffered their personal services to the campaign, it was a proof that India could get on permanently without those Chiefs; or supposing we had sent 10,000 or 20,000 Native troops to South Africa, that the Native army ought, therefore, in future, to be reduced by that number. Let no one, therefore, be taken in by this sort of argument. These are not days when the military strength of any empire is likely to be reduced. They are not days when the military strength of the Indian Empire can with safety be reduced. If Lord Dufferin could hold 14 years ago that the present armed strength of India, which was raised by him, to its present total, was necessary for the preservation of order in this great country, for the fulfilment of our engagements, and for the protection of our boundaries, will any sensible man be found to tell me that anything has occurred since, whether it be in the experience of warfare in South Africa, or whether it be in the events that we hear of from day to day in Central Asia and on the borders of Afghanistan, to prove that we can now fulfil our obligations with less? No, there are two great duties of Imperial statesmanship in India. The first is to make all these millions of people, if possible, happier, more contented, more prosperous. The second is to keep them and their property safe. We are not going, for the sake of the one duty, to neglect the other. We would prefer to discharge our responsibility,—and it is no light one—in respect of both. With these remarks I will bring the present debate to a close, and will now adjourn this Council *sine die*.

APPENDIX I.

Note by the Hon'ble Mr. Allan Arthur.

In paragraphs 32 and 33 of the Financial Statement, the Hon'ble Member gives certain reasons for the Secretary of State's notification stopping Telegraphic Remittances under the Gold Note Act, and among other matters mentions that the season opened without the assistance of the money that is usually brought out before Christmas by the Exchange Banks. Now it seems to me that the season opened with much heavier remittances from England than has been the case any time during the last six years, and I give the figures showing the sales of Council Bills during the three months October to December for these years :—

	Rs.	
1894	6,46,26,000	
1895	7,49,27,000	
1896	3,88,30,000	
1897	1,23,000	(Councils stopped).
1898	6,29,14,000	
1899	8,02,65,000	

The total Council Bills offered by the Secretary of State in December last amounted to Rs. 175 lakhs, of which the Exchange Banks took Rs. 157 lakhs, while the total tender during December amounted to Rs. 9,92,87,000, the percentage given each week being 15 %, 13%, 79% and 100%. In addition to Council Bills the Exchange Banks brought out money in the shape of sovereigns, and from the returns of the Paper Currency Department we find that between 22nd November and 22nd December last gold to the value of 94¾ lakhs was tendered in exchange for notes or rupees, whereas no additions of the kind were made to the currency during the last month of the preceding five years.

In fairness to the Exchange Banks I feel bound to give these figures, but I do not think any good purpose would be served by discussing further the point as to whether the India Office were or were not justified in making the notification referred to. I think, however, that good might come if I were to point out what was the result of that notification as applied to Indian trade. So far as I can make out the figures from the market reports, the amount of gold and of sovereigns shipped in consequence of the action of the Secretary of State was over £500,000. This was more than the trade of the country required, and Government has suffered through this temporary over-financing by Exchange having declined to a point under 1*s.* 4*d.* Had it not been for the action of the India Office, money would have come out only *as required*, and Exchange would probably have remained near import gold point, instead of having advanced as it did a short time ago to 1*s.* 4 5/8*d.* and having declined as it has recently done to under 1*s.* 4*d.*, to the great harassment of trade, and in complete opposition to the declared currency policy of the Government of India which the Hon'ble Member states to be the maintenance of Exchange between two given points, *viz.*, 1*s.* 4 5/32*d.* and 1*s.* 3 7/8*d.* The general idea here is that if the notification had not been made, Exchange would not have gone above gold import point, and the fact that the Secretary of State was able after his notification to sell telegraphic transfers freely seems to indicate that the notification was unnecessary.

It was with considerable regret that I was informed by the Hon'ble Member last week in reply to a question of mine that it must be distinctly understood that the prolongation of the Gold Note Act implies no undertaking on the part of the Secretary of State to sell remittances under the Act at any specified rate. In other words, there is no certainty that Exchange may not at some future period be again forced up to above gold import point, and I would suggest that the refusal of the Secretary of State to declare a maximum rate under the Gold Note Act may be taken as a sign of weakness, and that if the Government expect any efficacy for their currency measures any sudden retreat from the situation they have taken up cannot fail to constitute an unsolid foundation in the public view.

I cannot think that the Viceroy and the present Financial Member will be satisfied with a currency system that is not somewhat better than anything India has ever had before. On 23rd January of last year His Excellency said : "Relief from the financial uncertainty and the fluctuations which have so long hampered the Government and interfered with trade by a scheme of currency reform which shall give stability to our monetary system is, in my opinion, the first step, though I am far from saying the sole step, towards the economic and commercial revival of India"

and again on 12th February :—

"British capital is therefore a *sine quâ non* to the national advancement. I believe it is sound policy to desire that India should become one of the chosen fields of investment, and that this great and expanding dominion should attract some portion of that wealth which appears to be equally at the disposal of petty venal Republics in the Western Hemisphere and of moribund kingdoms in the Eastern."

If British capital is to be attracted to India it seems to me that the Government of India should do everything in their power to minimize fluctuations in Exchange, so that capital may flow freely between England and India with the least possible risk of loss on the return opera-

tion. And I would submit that it will be entirely in the general interests if the announcement which was made last week by the Hon'ble Member in regard to the rate for transfers under the Gold Note Act be reconsidered, so that in the future we shall be spared from the unnecessary fluctuations of the past few months.

At the close of paragraph 33 of his statement the Hon'ble Member points to the difficulties which Indian trade is likely to run into if the Banks and Merchants trust to Government always to meet their demands from its resources instead of supplying themselves with funds. And the Secretary of State makes a similar remark in the last paragraph of his despatch of 1st instant. I agree with the Secretary of State and the Hon'ble Member so far as to say that it is only on special occasions and at prohibitive rates that assistance should be expected from State resources. But the Government of India should bear in mind that they are responsible for the laws and regulations under which money can be imported from abroad or manufactured locally, and, if the Government of India for reasons and objects admirable in themselves, place exceptional restrictions on the expansion of the currency and by their own action enlarge and reduce at times the local supply of money, then I think the Banking and Commercial communities have a right to expect that Government will be prepared to assist them temporarily to overcome the difficulties caused by exceptional legislation or State regulations. In all countries, with the exception of England and India, the currency can be readily expanded to meet temporary requirements by the simple and cheap expedient of issuing fiduciary paper money. But in England and India Government has decreed that the currency can only be expanded against a deposit of gold; this exceptional restriction works fairly well in England because London can obtain gold without much delay from Paris or Berlin or New York, but in India 3 weeks or more must elapse before gold can be imported and in the absence of gold no fresh money can be issued except under the Gold Note Act. Council telegraphic transfers have saved India from many monetary panics, but they do not expand the currency. They merely transfer currency from the Government Treasuries to the money market. They are limited on the one side by the requirements of the Secretary of State and on the other by the amount spareable from the Government of India's cash balance for remittance to the Secretary of State. When the demand for money exceeds these limits or when the demand is for fresh currency it can only be met expeditiously by the Gold Note Act or some similar arrangement. I do not blame the Government of India for saying there shall be no expansion of the currency in the absence of a deposit of gold; although England is the only other country in the world where such a restriction exists, but I ask the Government of India to make allowance for the distance of India from the central markets for gold and to arrange to issue fresh currency in India on receipt of the gold in London as provided under the Gold Note Act, and, if the Gold Note Act is to be operative, I think it is highly necessary that there should be some maximum at which the Secretary of State will undertake to give rupees in exchange for gold to an unlimited extent, which facility, I take it, will only be availed of at times of extreme pressure.

To make the system work smoothly for Government, it would probably be well for them to take power to purchase silver for coinage purposes against gold paid in London under the Act, as otherwise they might have the difficulty they have lately experienced of not having sufficient rupees in the Paper Currency Reserves to meet all demands. If they had had this power recently it seems to me that it would have been quite unnecessary to have stopped Transfers under the Gold Note Act; the Government would have made a handsome profit on the purchase and coinage of the silver, and in accordance with the recommendations of the Indian Currency Committee could have placed the amount of that profit in gold to a special reserve account for the strengthening of their Currency Policy, and the gold would have been kept in London at a time when it was wanted there instead of being locked up at sea for 3 weeks or more, and locked up afterwards in the Indian Paper Currency Reserve.

So important is it in the interests of the trade of India and of the Government of India that an easy means of remittance from London to India, such as has been provided by the Gold Note Act during the last two years, should be provided permanently that I have ventured to give my views at some length. I should like to make further a few remarks on the kindred question of the inelasticity of the local central banking funds. Here again all that Government are asked to do is to afford relief from difficulties which they themselves create. In referring to the quantitative theory the Hon'ble Member says that although variations in the quantity of currency circulating may have little effect in Western countries amply equipped with credit money, the quantity of currency being supplied and offering in the Indian market must have an effect in regulating its value in exchange with other commodities, and I presume I may add that variations of the quantity of money in the loan market will have an equally great effect on the rate of interest. This being the case is it not a matter for great regret that Government should withdraw from circulation and lock up a larger amount of money during the busy season when trade demands are heavy than during the slack season, and is it not desirable in the public interest that the scarcity of money thus caused should be relieved by an increase of the Government deposits with the Presidency Banks during the busy season, when this can be done without risk or inconvenience to the State? I understand that Rs. 8 crores are considered an ample working balance with which to work the Treasuries and that a reserve of Rs. 2 crores is deemed ample to meet emergent demands on Government, and all that is asked is that during the busy season the deposits in the Presideney Banks will be enhanced whenever the total cash balances exceed Rs. 10 crores. Then again the Presidency Banks are the only Central Banks in the world which receive no assistance from the Paper Currency. The

Presidency Banks hold a portion of the cash balances, but the Bank of England holds all the cash balances and in addition to this it has power to issue fiduciary notes to the extent of over £18 millions. This is a fixed issue, but all other Governments are still more generous to their central banks and give them power to expand their fiduciary issues freely in order to enable them to meet on easy terms all legitimate demands for local accommodation. The Government of India, for reasons which I approve of, have resolved to issue the Paper Currency themselves and to appropriate all the profit thereby obtained; but they must admit that by so doing they have deprived the central banks of the power that all other central banks, with the exception of the Bank of England, possess of expanding their resources easily and cheaply in order to meet exceptional demands for accommodation, and it is not surprising that under these circumstances the central banks of India ask for some support from the Paper Currency Reserve.

The Bank of Bengal has advocated that the Presidency Banks should be given access to these Reserves upon certain restrictive terms in times of extreme pressure. The Hon'ble Member recently pointed out the difficulties that occurred to him in acceding to this suggestion, and while there is no doubt a great deal in what he said, I venture to think that the facility asked would be so seldom availed of, perhaps never at all, that the suggestion should not be finally rejected. The knowledge that there is an effective last resort in India would be an immense assistance to those who are responsible for the financing of the internal trade of the country, and with the additional Banking capital, which there is little doubt will come before long to the country, the dangers, which the Hon'ble Member foresaw if this facility were granted, may not really be so great as he anticipated.

APPENDIX II.

A Note by the Hon'ble RAI BAHADUR B. K. BOSE, on the Settlement in the Central Provinces.

Of the two grounds for the enhancements referred to in my remarks on the Budget, the first, progress in cultivation, has received a serious check I beg to be permitted to deal with the question in some detail in the form of a note. My excuse lies in its vital importance. For an enhancement, which might have been borne at some sacrifice of convenience had times been propitious, may, in the present condition of the people, prove oppressive. In 1867-68, when the old settlement was completed, the cropped area was 12 millions and 6 hundred thousand acres Up till 1893-94, the progress was on the whole continuous. At this period the area under crop stood at 16⅓ millions, giving an increase of 3 millions and 7 hundred thousand acres or about 29 per cent. in 26 years. At this stage further progress was arrested. For fair comparison Sambalpur, which till the current year always had good harvests and was thus able to profit by others' misfortunes, has to be excluded. Excluding this district the cropped area in 1893-94 was a little over 15½ millions. In 1898-99 it was a little over 14½ millions, showing a shrinkage of little over a million or about 7 per cent. Thus at the commencement of the current season the advance in cultivation as compared with that of 1867-68 was (excluding Sambalpur) about 2½ millions, or an increase of about 20 per cent. in 31 years. The fall in the area under plough does not however, disclose the full extent of the deterioration in cultivation. Speaking generally, of the two crops, the kharif is of importance as supplying the food of the majority of the people. But it is the more valuable rabi, which adds to their resources and staying power. In 1893-94 the ratio of rabi to the total cropped area was 44 per cent., whereas in 1897-98 it shrank to 30 per cent., the area placed under rabi being less than five million acres as against eight millions in 1893-94. The area under wheat, gram and linseed, the three main rabi crops, in 1898-99 was a little over four million acres. Even as regards the rabi, the less valuable gram largely took the place of the more valuable wheat. The total average export of wheat for the five years ending 1892-93 was a little over seven million maunds. In 1897-98 it fell to a little less than three hundred thousand maunds. In 1898-99 it rose to a little over 2½ millions, which is only 35 per cent. of the average of 5 years ending 1892-93. There was a somewhat similar deterioration in rice by which the system known as broad-cast was substituted for the transplantation system, the yield of the latter being more than twice that of the former. Rice is the predominant crop in the Chhatisgarh. The export of rice, foreign and local, from it in 1894-95 was 37½ lakhs of maunds. In 1898-99 it was a little less than two-thirds of this amount. Speaking of the enormous money-loss from the contraction of the wheat area the Commissioner of Jubbulpore, Mr. Fuller, has pointed out that the export of wheat during the four years 1894-95 to 1897-98 amounted to only four per cent. of the average for ten years preceding, to half a lakh of maunds against 13 lakhs. In the Nerbudda Division, comprising some of the best wheat lands in the Province, the average of the same four years was 14 per cent. of the decennial average. Mr. Fuller writes: "But it is obvious that so great a decline in production is seriously crippling the people and must retard recovery. In particular it adds to the load of debt both by necessitating fresh borrowing and by the accumulation of interest on previous loans."

12,621,898.
16,316,904.
15,684,165.
14,607,767.
(*Vide* Annexure C.)
The increase in population between the Census of 1866 and 1891 was about 28 * per cent., or 8 per cent. more than the increase in the cultivated area in 1898-99.
(* *Vide* para. 11, Progress of the Central Provinces, by J. B. Fuller, Esq., C.I.E.)
4,282,067.
7,024,734
280,883
2,555,868
Revenue Administration Report for 1897-98.

Regarding the other factor, rise in prices, when an agriculturist gets involved is debt and is forced to borrow his seed, his subsistence grain till the

harvest and his cost of cultivation at a high rate of interest, or by agreeing to sell his expected crops in advance at a sacrifice, rise in prices cannot benefit him much. The keen and enterprising grain-dealers, Marwadis, Kuchchis, Bhatias and others, whose organization covers the whole country, intercept a considerable portion of the profits accruing from this cause; and against what is left for the actual tillers of the soil has to be set off the high prices they have to pay for many of the necessaries of life, the increased charges on account of cost and keep of plough bullocks and higher wages that have to be paid for such farm labour as they have to employ. How largely, in spite of favourable prices, the tenants have got into debt would appear from the fact stated in the Central Provinces Famine Report, that only a fourth of them were found to be prosperous and free from debt. Another fourth were deeply involved in debt, while the remaining half were in a constant state of indebtedness, carrying on their agriculture with borrowed capital. This was said in May, 1898. Another and a more disastrous season will now make matters worse and many will be dragged down from the first to the second or third class. How little benefit an impoverished tenantry can derive from rise in prices, and what difficulties the málguzárs now experience in realizing rents as fixed at the settlement and which form the basis of the new assessment, will appear from the statement of rent collections annexed to the Revenue Report for 1897-98. Complete figures are given for 11 out of 18 districts. Excluding Sambalpur, the rent collections on current dues in four districts did not exceed half the demand and in four others they ranged from 61 to 66 per cent., while in two only they reached the somewhat satisfactory figure 88. The total collections, both current and arrears, fell short of the total payment on account of public demands in six districts. (*Vide* annexures D and E.)

The impoverishment of the tenantry could not but tell on the proprietors, and the figures relating to the transfers of proprietary right show that this has been the case. In 1893-94 these transfers covered an area of about $4\frac{1}{3}$ lakhs* of acres. Next year it went up to six lakhs,† or a rise of 50 per cent., which figure was more than maintained in the following year.‡ In the famine year (1896-97), the people were engrossed in the struggle for existence and had not much time to spare for business, but still the figure was only a little less than five lakhs.§ The next year, however, it rose to six lakhs‖ again.

* 428,356
† 605,365
‡ 625,327
§ 486,637
‖ 602,048

To add to the miseries of the agriculturists, the Province is deteriorating in another direction: cattle mortality has been increasing since the cycle of bad years began. Accurate records are available since 1896-1897 only. In this year the plough cattle were returned at about 29 lakhs.¶ In the following year the number went down to $27\frac{1}{3}$ lakhs,** showing a loss of about a lakh and a half in one year. As regards previous years, trade statistics afford a fairly reliable basis to go upon. In 1893-94 the export of hides and skins was about 55 thousand maunds. It has been steadily increasing since then. In 1894-95 it rose to 90,000 maunds, in 1895-96 it was a lakh, in 1896-97 a lakh and a third, and in 1897-98 a lakh and a quarter. There was a welcome drop in 1898-99, when it was 70,000, showing that with the return of better times, mortality among cattle went down at once. Under the combined effects of a severe crop-failure and a failure of fodder and water-supply, what the mortality will be this time can well be imagined. As the neighbouring Province of Berar is equally unfortunate in these respects, it will be difficult to replace the heavy loss that is now inevitable, even for those who will be able to afford the money. Any way the loss will be severely felt, for the cost of a pair of plough bullocks is a heavy charge on a cultivator's resources. Thus even with a favourable monsoon next year, the paucity of plough bullocks will, apart from all other depressing causes, seriously affect the area under crop. And as it will take time for the next generation of bullocks to grow up, it will be some years before normal conditions are restored.

¶ 2,889,000
** 2,737,000

The intervening years between the past and the present famine have not been such as to permit of the lost ground being recovered In 1897-98 the kharif was specially good, but the rabi was seriously injured by want of dew

and winter rains and in some of the northern districts by want of moisture at sowing time. The yield was generally below the average. The kharif of 1898 was not on the whole more than an average and the rabi of 1899 was distinctly poor. But despite these by no means favourable circumstances,—indifferent harvests, shrinkage of cropped area and substitution of less paying in place of more paying crops—the landholders were not backward in meeting their liabilities to the State. The demand including cesses in 1897-98 was about ninety lakhs on current, and thirty-eight lakhs on arrears, account, making a total of about a crore and a third. They * paid over ninety-four lakhs, or the whole of the current demand and four lakhs towards arrears. The collections during 1898-99 have been about one crore† (Rs. 99,93,000) which is about $5\frac{1}{2}$ lakhs more than in the previous year. Statutory loans aggregating 13 lakhs (Rs. 13,04,449) were also paid back. Besides these payments to Government amounting to over two crores, the people must also have paid something to their private creditors. After meeting these liabilities and their private expenses, the agriculturists could not have begun the current season with any appreciable saving. Whatever it was, it must have been exhausted to a great extent in providing for seed and their own subsistence between sowing and the expected harvest. The mournful fact is now too well-known, that when the time came for them to seek a return for all they had spent on their lands, there was heavy disappointment. The kharif failed even more grievously than in 1896, and as regards the rabi such a serious loss has not taken place within living memory. It will thus appear that the end of the current agricultural year will find the landholding classes in a state of great exhaustion. In 1897 we had a noble charity fund to come to their rescue. About 29 lakhs of rupees were given from it to the broken-down peasantry in the Central Provinces for seed and bullocks. With this timely help about $1\frac{1}{2}$ millions of acres of land were brought under the plough. Thanks to the movement set on foot by Your Excellency, the cry of distress is once more stirring the hearts of the generous public, both here and in England, but owing to various causes, it is not to be expected that anything like the help given last time would be forthcoming on the present occasion. Thus want of seed-grain will operate in the same way as want of bullocks to bring about a serious contraction of the cropped area in the coming season. Apart from the money difficulty, in the Chhatisgarh and in the Bhandara Districts there is an alarming depletion of local seed-stocks, and how to procure the necessary rice-seed is a matter which is seriously exercising the minds of the people and the local officers. It is feared that seed imported from Bengal and elsewhere may not germinate properly.

Rs. 90,28,538
Rs. 38,29,294
Rs. 94,43,312

* Taken from the Statement II-A, Revenue Administration Report for 1897-98.

† Taken from the Appropriation Report on Accounts for 1898-99.

I respectfully submit that with such a radical change for the worse in the economic condition of the country, a change is called for in the principles which have hitherto regulated the re-settlement of the Land Revenue Demand. Almost the whole population depends, directly or indirectly, on agriculture. The only other important occupation of the people, weaving, is a decaying industry, and the mills we have give employment to a small fraction only. Thus agricultural profits constitute almost the sole funds from which any addition to the resources of the people can be effected. The question of assessment therefore is with them a question of life and death. The slightest excess beyond what they can pay with ease is sure to have disastrous after-consequences. For it is not possible that a people raising only coarse agricultural produce, possessed of no large capital, no resources for improved methods of cultivation, in fact the majority of whom are in debt, should be able to meet with ease a revenue enhanced even to a fraction of a degree beyond what their existing condition warrants, and should, under its continued strain, recover even with a succession of good years from the depressing effects of a series of bad seasons. In some distressed tracts, where the payment of the enhanced demand had almost become an impossibility, a change in the shape of an abatement has already been introduced. Liberal remissions have also been

given. But something more than such makeshifts as temporary remissions or reductions is, I submit, now needed in the best interests of the country. A considerable surplus is expected when the famine is at an end. A portion of it may with great beneficial results be utilized in giving some relief to the landholding classes in the Central Provinces. In making this appeal, I only echo what has been suggested in some of the revenue reports for 1897-98. The Commissioner of Jubbulpore writes : "But the revenue management of certain tracts will require careful handling. In the Khurai Tahsíl and in the open country of the Damoh District very liberal general remissions will be required this year, and a re-settlement will be necessary as soon as there are signs of an upward turn. The abatements granted last year have proved inadequate." Regarding Hoshungabad, a district once thought to be one of the richest in the province, the Deputy Commissioner writes that the tenants owe heavy arrears and large sums on account of takkáví in addition to their ordinary debts, that a considerable area of land has become overgrown with "Kans" grass, which it is difficult and expensive to extirpate, and that the málguzárs have not been able to realise 50 per cent of the current rental demand. His conclusions are tersely summarised in the words, "the district is bankrupt and requires at least two good crops to become solvent." The Deputy Commissioner of Balaghat remarks that a large percentage of tenants and málguzárs are heavily in debt, and that it is greatly to be regretted that a few years could not have been given to the district before the imposition of the new settlement to give time to the people to recover themselves and to prevent the transfer of málguzárí rights to the money-lending classes. The Deputy Commissioner of Bilaspore points out that it would require at least 2 or 3 good harvests (perhaps more) before normal conditions would be restored. The Central Provinces Famine Report concludes with these weighty words : "But the ground lost during the past four years will not all be recovered in a season or two. It is a popular saying among cultivators that three good years are necessary to make up for one bad one. The saying may be tinged by the over-despondent tone which the farmer in all parts of the world uses in speaking of the prospects of his agriculture. But it is not unlikely that three years may pass before the province throws off the last signs of the greatest famine of the century." All this was said in 1898. Since then the country has been smitten with the full force of an even greater famine, and unless a liberal revenue policy, the benefits of which will permeate all classes, be adopted, it is difficult to see how the people will be able to recover themselves.

Within the last few months and while yet the province is in the throes of the famine, it has, I am told, been announced in the Bhandara District that the new assessment just completed there will come into force from the next year. The order will perhaps be reconsidered, but still its promulgation at this juncture is apt to make the people lose heart.

Proceedings with a view to a second new settlement are also in progress in Bilaspur and Raipur. These districts, especially the former, were very hard-hit during the last famine. They are no less so this time. They were both newly assessed only about 10 years ago. The enhancement in Bilaspur (Khalsa) was 102 per cent. in some groups and 105 per cent. in others. Including two cesses * introduced in the interval between the two settlements, the enhancement under the head of cesses was 8 per cent. in addition to the consequential enhancement from the enhancement of the land revenue. There was besides a full valuation on "sír" land as compared with the half assessment of the old settlement. This process represented an increase in the assessable assets of about Rs. 66,000. The percentage of assets taken as land revenue at the new settlement was also higher. At the old settlement, the total assets including full valuation of "sír" was Rs. 5,26,391 (para. 302 of the settlement report). The Government demand being Rs. 2,51,934, the proportion it bore to the total assets was thus about

* Additional rate and Patwari cess.

New assessment at full all-round rate of 10 annas 10 pies	=Rs. 1,49,290
Old settlement assessment at half the full rate (*vide* para. 302 of the report)	=Rs. 83,030
Difference	Rs. 66,260

48 per cent. As prospective profits from progress of cultivation and miscellaneous sources, for which there were large openings at the time, were not taxed, the burden of the Government demand became lighter year after year, until in the year preceding the new settlement it was only 40 per cent. of the raiyati rents, leaving the remaining 60 per cent. and the whole of the "sír" and miscellaneous profits to be enjoyed by the málguzárs. At the new settlement, the total assets were fixed at Rs. 8,77,950, and the Land Revenue at Rs. 4,74,648. Thus the proportion which the latter bear to the former is 54 per cent. or 6 per cent. more than at the old settlement. The large reduction in the profits hitherto enjoyed, which these operations involved, must have been keenly felt. At the new settlement the rise in prices from the opening of the Bengal-Nagpur Railway was presumably taken into account, the tenants' rents being raised by Rs. 70,000. Since then the district instead of prospering has distinctly deteriorated. It is difficult therefore to conceive on what ground a second new settlement can, under existing conditions, be justified so soon after the first. A new settlement, however carefully conducted, must unsettle men's minds, make them suspicious of the intentions of Government and subject them to the harassments inseparable from the visits of official underlings. I am afraid, even with a good season next year, in place of stimulus of hope, there will be discouragement of uncertainty, and this feeling will paralyze all exertions to recover from the effects of the famine.

Found to be Rs. 6,09,940 by S. O.

Details.	Rs.
Existing rents	6,09,940
Enhancement on above by S. O.	70,090
Full valuation of *sír*	1,49,290
Miscellaneous profits	48,030
Total	8,77,950

ANNEXURE A TO APPENDIX II.

Statement showing enhancement of Land Revenue demand under the new Settlement:
(taken from Statement VI, Revenue Administration Reports.)

District.	Percentage of enhancement on previous demand in various assessment groups in the District.
Saugor	68, 42, 53, 48
Damoh	55, 73
Jubbulpore	50, 44, 62, 86, 64, 77
Mandla	61, 66
Seoni	95, 97, 55, 92, 50
Narsingpur	57, 46
Hoshungabad	69, 87, 96
Nimar	58, 56
Betul	55, 63·8, 57, 37
Chindwara	45, 55, 47, 25
Wardha	26, 28
Nagpur	20, 21, 28, 24
Bhandara	40, 38, 30, 52
Balaghat	48
Raipur	82, 98
Bilaspur	102, 105
Sambalpur	34

The 28th March, 1900.

B. K. BOSE.

ANNEXURE B TO APPENDIX II.

Statement showing average enhancement in the whole district on the previous demand.

District.	Enhancement under Land Revenue alone.	Enhancement under Land Revenue and cesses combined inclusive of additional rate and Patwari cess imposed during the currency of the old settlement.	
Saugor	49 per cent.	61 per cent.	Abated—details not known.
Damoh	60 „	70 „	
Jubbulpore	65 „	78 „	
Mandla	71 „	85 „	
Seoni	80 „	95 „	(Being introduced progressively.)
Narsinghpur	50 „	60 „	
Hoshangabad	87 „	99 „	
Nimar	59 „	73 „	
Betul	46 „	57 „	
Chhindwara	38 „	50 „	
Wardha	26 „	35 „	
Nagpur	20·6 „	28 „	
Raipur including zámíndárís	57 „	71·8 „	
Bilaspur including zámíndárís	93 „	111 „	
Sambalpur including zámíndárís	46 „	56 „	

NOTE.—The settlement of Bhandara and Balaghat is not yet complete.

B. K. BOSE.

The 28th March, 1900.

ANNEXURE C TO APPENDIX II.

Statement showing area under crop in the seventeen distressed districts in 1893-94 and 1898-99:—

Districts.	1893-94.	1898-99.	Decrease − or Increase + in 1898-99 as compared with 1893-94.
	Acres.	Acres.	Acres.
Saugor	1,015,570	697,711	−317,859
Damoh	556,473	403,344	−153,129
Jubbulpore	1,099,855	942,666	−157,189
Mandla	547,995	483,027	−64,968
Seoni	726,091	595,812	−130,279
Narsingpur	634,376	539,723	−94,653
Hoshungabad	1,051,126	857,342	−193,784
Nimar	506,599	578,966	+72,367
Betul	649,718	568,518	−81,200
Chhindwara	701,400	720,544	+19,144
Wardha	924,381	903,035	−21,346
Nagpur	1,250,937	1,224,818	−26,119
Chanda	622,336	798,394	+176,058
Bhandara	897,808	826,451	−71,357
Balaghat	492,295	373,423	−118,872
Raipur	2,532,283	2,486,231	−46,052
Bilaspur	1,474,922	1,607,762	+132,840
TOTAL	15,684,165	14,607,767	−1,076,398

Note.—In 1898-99 there was a fall in cultivation in every district except Nimar, Chhindwara, Chanda and Bilaspur. As regards the last three of these four districts, the increase is, I believe, only nominal and is due to the fact that whereas the 1893-94 figure either does not include at all or only partially includes the zámíndárí area, the figure for 1898-99 includes either the whole or a considerable portion of the zámíndárís, the survey operations having progressed in the interval. The loss in the remaining thirteen districts is 1,476,907 acres or nearly one million and a half.

B. K. BOSE.

The 28th March, 1900.

ANNEXURE D TO APPENDIX II.

Statement showing rental on tenant area on account of current demand and realization on account of the same for 1897-98 in 10 out of the 17 distressed districts for which alone figures are available :—

Districts.	Demand.	Collection.	Percentage of collection on demand.
Damoh	545,767	336,030	62
Jubbulpore	1,281,131	818,177	64
Mandla	233,697	143,841	61
Seoni	414,070	272,301	66
Narsingpur	940,284	434,010	46
Hoshungabad	1,134,208	558,593	50
Nimar	223,752	109,494	50
Betul	347,191	164,847	47
Wardha	816,100	718,079	88
Nagpur	1,213,369	10,741,591	88

B. K. BOSE.

The 28th March, 1900.

ANNEXURE E TO APPENDIX II.

Statement showing total realizations from tenants on current and passed demands and total payment made to Government on current and passed demands on account of land revenue and cesses in 1897-98 in 10 out of the 17 distressed districts for which figures are available :—

Districts.	Realization from tenants.	Payment to Government.	+Excess or —deficiency of realization against payment.
Damoh	337,280	377,901	—40,621
Jubbulpore	1,055,114	1,162,818	—107,704
Mandla	194,231	134,170	+60,061
Seoni	313,231	224,987	+88,244
Narsingpur	810,558	867,406	—56,848
Hoshungabad	736,696	788,230	—51,534
Nimar	110,001	243,384	—133,383
Betul	176,742	215,492	—38,750
Wardha	815,321	696,230	+119,091
Nagpur	1,200,959	1,070,218	+130,741

Note.—In six districts the realizations from tenants fell short of the payments to Government by an aggregate sum of Rs. 4,28,840. This sum was met from the profits of the *sir* and other sources.

B. K. BOSE.

The 28th March, 1900.

EAST INDIA (FINANCIAL STATEMENT).

RETURN to an Address of the Honourable The House of Commons, dated 9 May 1901 ;—*for*,

"COPY of the INDIAN FINANCIAL STATEMENT for 1901–1902, and of the Proceedings of the Legislative Council of the Governor-General thereon."

India Office,
10 May 1901.

ARTHUR GODLEY,
Under Secretary of State for India.

(Sir Henry Fowler.)

IV

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171.

GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT

FOR

1901-1902.

CALCUTTA:

OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA.

1901.

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GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

FINANCIAL STATEMENT FOR 1901-1902.

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FINANCIAL STATEMENT FOR 1901-1902.

PART I.

INTRODUCTION.

1. IT is my duty to lay before the Legislative Council, statements showing the actual financial results of the year 1899-1900; the results according to Revised Estimates for the year 1900-1901; and the Budget Estimates for the coming financial year 1901-1902.

2. In their briefest form and leaving out Capital, Debt, and Remittance transactions, the figures are as follows:—

	1899-1900 (Accounts).
	£
Revenue	68,637,164
Expenditure (charged against Revenue)	65,862,541
Surplus	2,774,623

	1900-1901 (Revised Estimate).
	£
Revenue	75,166,000
Expenditure (charged against Revenue)	73,525,600
Surplus	1,640,400

	1901-1902 (Budget Estimate).
	£
Revenue	72,191,900
Expenditure (charged against Revenue)	71,501,000
Surplus	690,900

3. Before proceeding to the detailed consideration of the figures composing the above totals, I think it would be well to explain a slight modification of system which we have decided to adopt in our Accounts.

Changes in the form of Accounts.

4. We have had under consideration the advisability of some simplification in the General Statement of Accounts and Estimates of Revenue and Expenditure, and Receipts and Disbursements.

5. It has appeared to us that by submitting this Statement under two heads, separating Ordinary Revenue and Expenditure, from Receipts and Expenditure on Capital Account and Debt and Remittance transactions, the general result will be made clearer to the public.

6. We have therefore, with the consent of the Secretary of State, adopted a form showing, first, all purely Revenue Receipts, and Expenditure charged against the same, and indicating differences between the respective totals as 'surplus' or 'deficit' according to circumstances. We then show separately, Capital Receipts and Expenditure, the Debt and Remittance transactions, and the opening and closing cash balances, including in the proper columns, the surplus or deficit resulting from the difference between Ordinary Revenue and Expenditure.

7. This change is not in itself of great importance, but I think that it offers the advantage of presenting the Accounts, in a more readily intelligible form, and, moreover, that it is technically correct.

8. It would seem expedient to strike a balance at the end of the first section of the Statement, to show as Surplus or Deficit, in the body of the account, the difference between Ordinary Revenue, and Ordinary Expenditure charged against that Revenue, and to make a very marked distinction between the two main heads of the Statement, (1) Ordinary Revenue and Expenditure charged against Revenue and (2) Capital, Debt, and Remittance transactions. The final result of the second section of the Statement is the closing cash balance in hand at the end of the financial year.

9. We have at the same time adopted certain minor changes which I will proceed to indicate.

10. There seems no reason why the comparatively unimportant expenditure on 'Construction of Railways charged against Revenue, in addition to that under Famine Insurance,' should be shown separately in the General Statement, which is designed to exhibit only the leading and important figures. The expenditure under this head is now insignificant in amount and is either 'Provincial' or 'Local.' We have therefore combined it with that under Buildings and Roads, giving to the group the title of 'Other Public Works.'

11. In view of the importance of the heads Post Office, and Telegraph (the figures for which are specially watched by many observers interested in the general and economic progress of a country), we think there will be an advantage in giving a separate line to each of them, even in the General Statement, and, in view of the decision to treat the profits of coinage specially, we think it desirable also to show the Mint figures separately.

12. Further, with the object of bringing together all the entries connected with capital expenditure on Railways and Irrigation Works, we have adopted another change which will, in our opinion, be a distinct improvement. It is to group together under the heading 'Railway and Irrigation Capital not charged to Revenue,' the figures relating to the Capital of Railway Companies, which are at present shown under 'Debt, Deposits and Advances,' and those for the similar direct capital transactions of the Government, which are now shown under the heading 'Expenditure not charged to Revenue.' We shall thus have a perfectly distinct Capital account, with the advantage of showing in one place, the whole capital outlay on railways, whether by Government, or through Companies.

13. Being convinced of the value and improving position of the Government property in railways, we are anxious that the Railway Accounts should be readily understood by the investing public, and we consider the changes relating to railway accounting, now proposed as a step in the direction of attaining desired simplicity, in a somewhat complicated technical question of accounting.

Accounts, 1899-1900.

14. The closing of the Accounts of the financial year 1899-1900 shows an improvement in Actual Receipts of £712,164 over the Original Estimates and £104,764 over the Revised Estimate, as submitted by my predecessor last year.

15. The differences between the Original and Revised Estimates were explained by Mr. Dawkins last March, and the differences between the items of Revenue in the Revised Estimate and those of the final Accounts are insignificant and call for no special remarks. I need only mention that the final Accounts show an improvement of £123,545 in Railway Receipts, with the result that Railway Revenue Accounts brought out a net profit of £76,756.

16. In Expenditure charged against Revenue the final Accounts show an increase of £559,341 as compared with the Original Estimate, and a decrease of £117,059 as compared with the Revised Estimate, the largest item in the latter being a decrease of £144,374 under 'Army.'

Revised Estimate, 1900-1901.

17. The difference between the original and the revised Estimate of Receipts is very considerable, the increase amounting to £5,010,200; but, of this increase, a sum of approximately £2,900,000 comes under the head of Mint, and is balanced by a correspondingly large increase under the same head in Expenditure. These considerable differences are due to the large coinage of rupees, which could not be foreseen; but, deducting the sum due to this cause, we still have to account for an increase of Revenue exceeding £2,100,000.

18. It is certainly very gratifying to note that, in spite of all the troubles of the past year, every main head of Receipts except Land Revenue shows a more or less important increase.

19. The most notable augmentations are:—under Opium, about £572,000, due to the high price of opium; £106,000 in Salt, due to increasing consumption, although under this head we have cause to be dissatisfied with the Burma returns; £138,000 in Excise; £190,000 in Customs, a certain sign of consuming capacity and therefore of progressive well-being; £86,000 from Telegraphs, partly due to exceptional circumstances connected with Famine and partly to the increasing demand for news owing to the wars in South Africa and China, and the fatal illness of the late Queen-Empress; £965,000 in Railway Receipts, partly due to the large movement of food-stuffs for famine requirements and partly to increased mileage and general development; £208,000 under Irrigation; and finally an increase of £130,000 under Military Department Receipts, which is purely fortuitous, and represents the value of Military Stores sent abroad and debited to the Home Government. The totals of the items I have mentioned account for an increase in Receipts of about £2,395,000.

20. Against this satisfactory increase in the great majority of items of Revenue we have to record a heavy deficiency, as between the Revised and original Estimates of Land Revenue, amounting to £382,900. This is the only main heading of Revenue which shows a falling-off and the unfortunate result tabulated is sufficiently accounted for by the severity and prolongation of famine in some of the western and central districts.

21. When we turn to Expenditure, we find that the total of the Revised Estimate exceeds that of the original Budget Estimate by about £3,530,000. But here again we must make a reduction of about £2,900,000 under 'Mint,' the amount of the net profit on coinage to be credited to the Gold Reserve Fund, and consequently we have only to account for between £600,000 and £700,000 of increased Expenditure, above the original Estimate.

22. The most important item of increase in Expenditure is under the group 'Famine Relief and Insurance,' which amounts to about £876,000. This unfortunately needs no explanation. The next in importance is an increase of £323,000 under 'Railway Revenue Account,' but this augmentation was due to, and more than compensated for, by increased traffic yielding the larger Revenue already indicated. The charge under 'Interest' also exceeds the Budget Estimate by about £200,000 and Miscellaneous Civil Charges by £74,500.

23. On the other hand, 'Other Public Works' decreased by about £118,000, out of which about £42,000 is to be attributed to reduced expenditure on Military Works, and 'Army Services' cost less than anticipated by about £1,185,000, the saving being chiefly due to the absence of troops in China and South Africa. There was also a decrease of £124,000 under Salaries and Expenses of Civil Departments, and finally, the differences in the Accounts under Provincial Deficits and Surpluses increased the expenditure as shown in the Statement by £576,400.

24. The grand result indicated by the Revised as compared with the Original Estimate for 1900-1901 is to increase the originally estimated surplus of £160,300 to a fairly assured surplus of £1,640,400.

Budget Estimate, 1901-1902.

25. We may now turn to the consideration of the Budget for the coming financial year.

26. It will be observed that, if the abnormal receipt under 'Mint,' included in last year's Estimates, is omitted, the difference between the totals of Receipts, according to the Revised Estimates of the closing year, and the Estimates for 1901-1902, now presented, is very small, and amounts only to an anticipated increase of Revenue of £71,900 in the coming year.

27. Under certain heads, however, the differences are considerable and demand attention.

28. Land Revenue is estimated to produce £474,800 more than last year, and in view of improved prospects throughout the greater part of India, this Estimate is unlikely to prove too sanguine, although, until we are sure of a favourable monsoon, the most moderate Estimates may be suddenly and hopelessly falsified.

29. The only other main heading of Revenue which is expected to yield an important increase is 'Railways,' where Receipts are expected to exceed those of last year by £331,400. The anticipated increase is chiefly due to the inclusion of gross instead

of net Receipts from the Great Indian Peninsula Railway for 12 months in the coming year, as against 9 months only in the closing year, and also, to some extent, to increased mileage opened to traffic.

30. Besides the above-noted increases, variations in the items included under 'Other Heads' are estimated to produce, on balance, an additional £183,400, the more important improvements being £160,800 in Provincial Rates, and £62,600 in Tributes from Native States.

31. Other minor improvements make up the total increase of Revenue, as compared with the Revised Estimate for 1900-1901, to £1,086,500.

32. Against these improvements we have, however (always excluding Mint), to note a considerable reduction under various important heads. Opium is estimated to yield £589,300 less than last year, since it would not be prudent to count on the continuation of the abnormally high prices which have lately prevailed. Customs are estimated at £136,100 less, the most important variation in detail being a lower Estimate for imports of Sugar, the duties on the extraordinarily large importation of which have abnormally swelled our Receipts during the past year. Irrigation Receipts necessarily fluctuate with the increase or decrease of the demands of agriculturists for water, and are higher in bad seasons; we therefore anticipate for next year a smaller return by £127,400.

33. The above are the more important heads of decrease, and other minor variations account for, approximately, a further £161,800, making up the total of items of decrease to £1,014,600.

34. I now turn to Expenditure, which as a total, and again excluding 'Mint,' shows an increase of £1,131,900 reduced to £923,500 by the differences under the Provincial Deficits and Surpluses.

35. The total increase under various heads is £4,446,900, of which £2,062,100 is for Army Services, £728,400 for 'Other Public Works,' and £652,400 for Railway Revenue Account. Concerning these three items I shall have some remarks to make when I deal specially with Military and Public Works Expenditure. Other heads including 'Direct Demands on Revenue,' £161,600, 'Salaries and Expenses of Civil Departments,' £493,200, and Miscellaneous Civil Charges, £123,900, make up the total figure of increase above indicated.

36. Expenditure in all directions has been so greatly and necessarily restricted during the period of financial distress that, now that we may fairly estimate for an improvement in Revenue and a very important diminution of Charges for Famine Relief, we have been glad to show some comparative liberality in meeting urgent administrative demands. The Famine Charges, including £250,100 for Reduction or Avoidance of Debt, are taken at £3,245,000 less than for the past financial year.

37. We have examined the more important figures of the Budget. I will now endeavour to sum up the situation.

38. Our estimate of Revenue and Expenditure chargeable against Revenue closes with a surplus of £690,900. This surplus we carry forward to the second part of our Statement dealing with Capital Account and including Deposits, Remittances and Advances.

39. Our total Estimate for Capital Expenditure (not chargeable to Revenue) on Railways and Irrigation amounts to £5,395,600, of which sum £2,019,400 is for State Railways and £2,709,500 for the Account of Railway Companies, the balance being for Irrigation Works. In addition to the above, we have to find £301,900 for discharging Temporary Debt, and also to provide for other minor Capital Expenditure amounting to £944,500, including an over-payment in India of £330,200 on account of Secretary of State's Bills, and we finally arrive at a gross total of Capital requirements amounting to £6,642,000.

40. To meet this outlay, we have, in addition to our surplus of £690,900, a sum of £1,663,400 raised by Railway Companies. We further anticipate procuring £2,240,000 by addition to our Permanent Debt, of which sum we contemplate raising two crores of rupees in India, £502,500 from addition to the Unfunded Debt, and £111,200 from repayment of Loans and Advances.

41. These sums amount in the aggregate to £5,208,000, and the balance required to meet the total Capital Expenditure of £6,642,000 is found by a reduction of £1,434,000 in our Closing Balances in India and England.

The final result will be a Closing Balance on March 31, 1902, of £10,500,327 in India and £2,605,943 in England.

42. The present intention of the Secretary of State is to draw bills amounting to £16,500,000 during the course of the coming year. I have omitted this figure from both sides of the account I have summarised.

43. There is a point in connection with our Treasury operations which is perhaps likely to be the object of remark, or question, and on which I think it may be well to give some explanation beforehand. I refer to the fact that, whilst our Estimates show a comparatively large cash balance in hand in India, at the end of the coming financial year, we nevertheless announce our intention of adding to our permanent indebtedness by raising a loan in India during the course of the year.

44. The necessity obliging us to take this course arises from the fact that during the earlier part of the financial year our Revenue collections are very small, as compared with monthly expenditure, and our balances gradually diminish, until in November, they fall so low that we have to calculate our ways and means and assure our supplies with great care, so as to tide over the critical period till the last four months of the financial year, when Revenue Receipts begin to pour in.

45. It will be understood then, that it is the anticipated condition of our resources in the month of November which necessarily fixes the amount of our borrowings without regard to the possibility of a relative plethora of cash in our Treasuries, three or four months later.

46. The Government of India is at a great disadvantage in this respect, owing to the non-existence of any financial institution sufficiently strong to be able at all times to provide such funds, for short terms, as may be required to satisfy the temporary needs of the Treasury.

Government Balances with the Presidency Banks.

47. It has, I believe, often been urged that the relatively high rates of discount prevailing in the busy winter season from December to the end of March are due to the low figures of Government balances with the Presidency Banks, during those months.

48. I give below the figures showing these balances during the last four years. They are as follows :—

	1897. ₹	1898. ₹	1899. ₹	1900. ₹	1901. ₹
January .	2,84,69,815	3,10,74,779	3,22,88,586	2,83,49,286	3,31,13,363
February .	3,00,23,776	3,22,51,227	3,30,81,480	3,01,62,613	3,09,44,761
March . .	3,77,40,338	3,27,96,275	3,16,44,816	2,64,87,648	
December .	2,88,20,840	2,92,33,557	2,73,30,372	2,74,96,162	

49. I think that, although special circumstances reduced these balances last year, the above quoted figures show that the Government of India is not unmindful of the advantage to the business community of placing comparatively large balances at their disposal, during the busy season.

50. In my general summary which includes under various main heads, the different items of Provincial Finance, I have not discussed any details of this branch of accounts, as I have nothing to add to, or to explain in, the very clear statement on this head, prepared by Mr. Finlay with his usual ability and industry and to which I would specially invite attention. This statement is to be found in Section VI, Part II of this Financial Statement.

Expenditure on the Army and Public Works.

51. In all countries in the world, the greatest drain on financial resources and in some respects the most difficult to justify, is that caused by the combined heavy demands for military requirements and for public works.

52. But our whole existence depends on proper provision for the defence of our frontiers, and without continual expenditure on public works, the development of communications so absolutely necessary for economic progress, could never be realised, whilst the large sums spent on irrigation are more than justified by the magnificent results obtained from this class of expenditure, yielding, as a rule, not only direct and immediate profit, but also providing for the sustenance of millions, who would otherwise be included among the sufferers from recurring droughts.

53. As regards military expenditure, although we have granted very large sums for the improvement of our military position as regards defence, every additional item which has been agreed to, has not only been most jealously scrutinised in the Finance Department, but has also been submitted to the close examination of the Governor General in Council.

54. The lessons derived from the war in South Africa could not be neglected. It was our responsible duty to take them to heart, and we have done our best under the guidance of the military advisers to Government to profit by them.

55. Fortunately, the savings realised in our general military expenditure owing to the temporary absence of our troops in South Africa and China have enabled us to provide for a portion of the urgent needs of the army without adding to our general burdens; for the rest, we have done what is for the moment in our power, but we cannot yet say that our task is completed.

56. The following figures show the Net Military Expenditure during the last few years :—

	£
1898-99, Accounts	15,385,042
1899-1900 „	14,165,743
1900-1901, Revised	14,239,100
1901-1902, Budget	16,345,500

57. The increase in the estimates for the coming year is very considerable. Items classed as new expenditure amount to about 142 lakhs charged under Army in addition to about 18 lakhs connected therewith, charged to Military Works. Of this total, amounting to, approximately, 160 lakhs, about 127 lakhs are non-recurring, and 33 lakhs recurring. It includes, among other heads, provision for the expenditure of 94 lakhs on artillery, rifles, ammunition and ordnance stores; approximately $8\frac{1}{4}$ lakhs for the establishment of the gun-carriage factory at Jubbulpore and the cordite factory in the Neilgherries; and $21\frac{1}{2}$ lakhs for the establishment of an efficient transport service, including the purchase of animals.

58. The expenditure on factories for manufacturing munitions of war in India, will not only have the effect of increasing our military independence, but also the highly satisfactory result, from the economic point of view, of substituting expenditure in India for expenditure abroad, of increasing the productive power of the country, and of training a large body of mechanics and other skilled artisans.

59. As regards expenditure on public works, we have given our special attention to rendering existing railways more efficient, by the provision of additional rolling stock and other requirements for their satisfactory and profitable working. We have also set aside a large sum for expenditure on irrigation works as a protection from famine. The grant under this head for the coming year amounts to one crore and is the same as that sanctioned last year, whilst in considerable excess of the sums allotted in the immediately preceding years for the same purpose. But we are convinced that the money will be well spent.

60. The following figures show the comparative capital expenditure on public works, during the last few years, classed under the more important heads, and the programme for expenditure in 1901-1902 :—

	₹
1898-99—	
Railways	8,84,21,189
Irrigation	65,35,482
	9,49,56,671
1899-1900—	
Railways	8,96,77,803
Irrigation	89,69,400
	9,86,47,203
1900-1901 (Revised Estimate)—	
Railways	8,30,75,000
Irrigation	90,08,000
	9,20,83,000
Programme, 1901-1902—	
Capital expenditure on open lines	4,59,97,000
Ditto lines under construction	4,59,47,000
Ditto new lines only recently commenced	1,13,00,000
Ditto Irrigation	1,00,00,000
TOTAL	11,32,44,000
Classification.	
Capital expenditure for Railway Construction—	
To be raised by Government	2,22,86,000
Ditto Companies	8,09,58,000
TOTAL	10,32,44,000

61. I think that after consideration of the above figures showing comparative capital expenditure, I should invite special attention to the comparative net results of the working of our railway system. The following figures give the net deficit or surplus since 1897-98:—

1897-98.	1898-99.	1899-1900.	1900-1901 (Revised Estimate).	1901-1902 (Budget Estimate).
£	£	£	£	£
—709,304	—620,165	+76,756	+156,200	—164,800

62. In noting the relatively unsatisfactory estimate of net results for the coming year, it must be borne in mind that the traffic of last year, due to transport of famine supplies, was exceptionally large, and that we have now made specially large provision for repairs, renewals of rolling stock, and other improvements to be charged against next year's revenue.

63. Further, I must point out that, if we take only the figures of traffic receipts, £18,427,600—and those of working expenses £8,655,300,—the results anticipated for the coming year, are somewhat better than those for the year 1900-1901, and show a net profit (thus calculated) of £9,772,300 as against £9,701,600 last year. The final estimated falling-off is due to an increase of expenditure under the heads of Interest and Annuities, in connection with new construction and the purchase of the Great Indian Peninsula Railway. These are temporary drawbacks, and the decrease in net revenue is temporary as the lines under construction will add to revenue when opened for traffic.

64. It is unnecessary for me to enter into further details concerning expenditure under the two heads I have now been discussing, since it is the main principles guiding such expenditure, and the possibility of satisfying recognised requirements, which alone concern the Finance Department. Questions of detail lie outside the province of that Department and are the immediate concern of the Honourable Members of Council at the head of the Military and Public Works Departments.

Results of the Famine.

65. During the past financial year this great Indian Empire has been suffering from an appalling calamity, quite unprecedented, I think, in the recent history of any country on the globe's surface. Not only have we been the victims of a famine of extraordinary severity, the inevitable outcome of the early cessation of the rains in the year 1899, but to the consternation of all men, responsible for, or interested in, the welfare of the millions of agricultural population, the coming of the periodical rains, required to refresh the thirsty soil and restore the fecundity of mother-earth, was so delayed last season, that the trials of the long suffering populations were prolonged in the most distressing and unexpected manner. But this was not all. In addition to the calamity of famine, the plague pestilence is still with us, and the terrible list of its victims is daily to be counted in the official returns from the plague-stricken districts. And this too weighs heavily on the resources of the country.

66. The Government of India has followed with the keenest anxiety the course and results of these awful afflictions, so entirely beyond its control, and it has recognised with profound admiration the splendid spirit with which millions of sufferers have faced the calamities from which they were powerless to escape.

67. The suffering condition of our fellow-subjects has been brought home to us, in the most incisive manner, through the continued and heart-rending appeals for assistance which have reached the Government of India. It is however my duty, and a happy duty, to state that, under the instructions of the Secretary of State and the Government of India, all such appeals have been considered by the Departments concerned, in a most liberal spirit, and no single appeal examined in that spirit by the competent authorities, has remained unsatisfied. The national purse and national credit have been freely placed at the disposal of all whose genuine distress might, it was hoped, be relieved by the prompt expenditure of money.

68. Such has been the spirit guiding our action, and it now falls to my duty to state the cost of our gigantic undertaking.

69. To count it with any approximation to accuracy is impossible, for it is not the direct expenditure of money which alone is involved: there has been an expenditure of life, health and energy of the numerous Government servants, both European and Native, who have nobly done their duty in facing the storm: in addition to the direct cost of gratuitous famine relief and relief works, of remissions of taxation, of agricultural

loans, of loans to assist afflicted Native States, of provision of medical assistance, and of special payments to famine officers, there has also been the indirect cost of loss of revenue, both as regards land revenue and miscellaneous taxes, and the incalculable, but probably still greater future cost of checked economic development.

70. We can fairly count the direct cost; the indirect cost must necessarily escape accurate calculation.

The following are the principal items of direct loss and expenditure:—

	R
Famine relief	6,33,76,000
Remissions and Suspensions of Land Revenue and Provincial Rates	1,47,16,000
Compensation for dearness of provisions and other charges	66,03,000
TOTAL	8,46,95,000

In addition to the above, we have provided:—	R
Loans to Native States	4,11,00,000
Special Agricultural Advances	1,42,00,000
TOTAL	5,53,00,000

This is an appalling total, but the calamity was also appalling. And the tale is not yet told. Expenditure will continue in the coming year. Already we have been called upon to provide approximately a crore for direct famine expenditure in the coming year, chiefly in Bombay, and we have been obliged to allot 164½ lakhs as grants-in-aid to Provincial Revenues, to restore financial equilibrium, thrown out of balance by famine and plague requirements.

71. It has been a serious and responsible task to meet all these heavy demands, but, thanks to the recuperative power of the country, directly due to the frugal habits and industry of the people, the task has been accomplished, and the Government of India can say with no inconsiderable satisfaction, that, with the aid of the ruled, the Rulers have done their duty, and the results have been such as to leave a memorable record in the history of mankind.

Countervailing Duties.

72. The countervailing duties on bounty-fed sugar came into practical effect in May 1899, and consequently we have not yet had two years' experience of their working. Two years is too short a period to permit of the formation of a definite opinion as to the effect of these duties, and considering also the abnormal conditions of plague and famine which have prevailed during the whole time, I think that it would be very premature to draw definite conclusions from the statistics of recent imports of sugar.

73. The general question of the sugar trade and industry is, however, one of such wide-spread interest, that it may be useful to invite attention to the figures showing the imports of sugar into India, during the last four years, classified according to the countries of origin.

74. I may call attention to the fact that the United Kingdom, and the interested British Colonies, the Straits Settlements, Hongkong and Mauritius, appear to have had their full proportionate share in the remarkable increase of importation into India, during the expiring financial year. It is also interesting to note that the greatest relative advance in the supply of sugar has been made by Germany, although that country is far from having recovered the predominant position which she occupied at the beginning of the period under review. Among foreign countries Austria-Hungary still keeps the lead, as an exporter of sugar to India, but does not come within measurable distance of Mauritius.

75. I may mention that the net receipts from the countervailing duties amounted to R8,17,555 in the eleven months of the last financial year, during which the extra duties were in force, and to R15,29,552 during the first ten months of the current financial year. We may reasonably hope to encash 17 or 18 lakhs from this source before the close of this year, and it is perhaps not an unsatisfactory reflection that this addition to our Revenue has been realised at the expense of the European tax-payers, taxed by their respective Governments to provide the bounties which enable foreign sugar refiners to sell their sugar in India, at prices below prime cost.

76. The fact is that the Government of India has added 17 lakhs to its resources by taking for Revenue purposes, the approximate difference between cost price, and the

artificially maintained selling price of bounty-fed imported sugars, whilst the Indian consumer pays no more for his sugar than he would have to pay if the bounty system were abolished.

Imports of Sugar into British India by sea from other Countries.

	1897-98.		1898-99.		1899-1900.		1900-1901. (Ten months.)	
Refined.	Cwt.	₹	Cwt.	₹	Cwt.	₹	Cwt.	₹
United Kingdom .	46,384	8,64,618	35,565	7,42,288	65,424	11,45,888	97,090	15,82,124
Austria-Hungary .	945,745	1,04,45,039	1,063,737	1,08,48,842	777,821	85,37,821	929,104	1,10,15,378
Germany . . .	1,203,309	1,27,88,053	413,971	43,38,134	60,526	6,10,514	288,229	33,57,206
Mauritius . .	1,400,047	1,50,60,098	1,793,607	1,85,56,504	1,413,115	1,53,04,869	1,748,141	1,93,41,498
Egypt . . .	44,274	4,66,630	1,261	12,908	6,977	84,743	34,691	4,03,423
Ceylon . . .	48,965	5,54,082	2,117	23,026	16,813	1,91,203	8,281	97,809
China—Hongkong .	291,175	33,48,381	185,682	20,98,496	316,975	36,55,145	454,384	53,61,030
Java . . .	140,485	17,54,857	162,500	17,02,398	190,553	18,54,091	200,247	20,13,143
Straits Settlements .	74,357	8,13,005	75,656	8,87,364	79,999	8,96,142	138,992	14,84,994
Other Countries . .	34,053	3,93,167	30,814	3,21,640	3,789	54,458	31,627	3,37,352
TOTAL .	4,235,394	4,70,87,930	3,764,910	3,95,32,320	2,935,992	3,23,34,904	3,930,786	4,49,93,957
Unrefined.								
Mauritius* . .	371,969	7,50,277	310,504	6,24,539	356,231	7,18,466	357,666	7,31,444
Ceylon . . .	656	2,688	510	2,154	289	1,253	119	304
Java . . .	...	...	...	....	67,635	7,06,282	...	...
Straits Settlements .	535	3,513	1,551	10,883	667	5,104	3,695	24,560
Other Countries .	56	386	24	93	48	290	101	609
TOTAL .	373,236	7,56,864	312,589	6,37,669	424,870	14,31,395	361,581	7,56,917

* The imports from Mauritius classed under unrefined sugar are molasses.

Exchange and Coinage.

77. The course of exchange throughout the financial year, ending on the 31st of this month, has been remarkably steady, and I may with satisfaction repeat the statement made by my predecessor, on this question, last March, namely, that the object of Government, the maintenance of a stable exchange, has been realised during the past year; and I may add that this stability has been maintained by following lines already laid down and without involving the necessity of any further special measures or serious effort on our part:—

> The average rate for Council Drafts, throughout the twelve months now drawing to a close, has been 15·979*d*.
> The maximum, reached in the month of December, was 16·037*d*.
> The minimum, in the month of August was 15·933*d*.

78. What has been done as regards the sale of Council Drafts and the coinage of rupees (and to the latter question I will return more particularly) has been done in accordance with a general policy of limiting, as far as possible, the action of Government, in exchange matters, to following and satisfying the demands of the market. I believe this to be the proper safe policy. It has been suggested that such a policy should be firmly established by legislative enactment, but I am not convinced that any enactment would give greater security than now exists for continuity of guiding principle. I fear that any possible form of enactment would bind our hands in an undesirable manner, in questions of detail, and on general grounds, it is desirable to avoid frequent recourse to legislation on exchange and currency questions.

79. During the past year there has been no hesitation to sell Council Drafts and Telegraphic Transfers to meet demands, although during the slack season of trade sales were shorter, whilst later on the Secretary of State found himself obliged to increase his offers of Bills so as to compete with the export of sovereigns which were being largely despatched to India, by parcel post, for conversion into rupees, at our mints and treasuries.

80. We have, without legislation, established a Gold Reserve Fund into which will be paid all profits of coinage accruing since the beginning of the closing financial year, and that Fund will serve as a guarantee for the conversion into gold, if required, of the rupee token coinage with which, to meet positive requirements, we have supplied the public so largely.

81. The great strain on our resources, due to disastrous famine, forced us to use for current requirements, the profits of coinage during the past calendar year, but since January 1, 1901, we have commenced paying our further profits directly into the Gold Reserve Fund, and the amount thus paid in, already amounts to £800,000, to which a further sum of £400,000 will almost immediately be added, on account of coinage profits in March.

82. As regards the profits from April 1 to December 31, 1900, amounting to about £1,730,000, these will be paid into the Gold Reserve Fund as our resources may permit, and it is our earnest desire to expedite such payments as much as possible. A special source will become available for these payments, by the reimbursement of the large advances to Native States and takavi loans provided by Government, in connection with famine necessities. The advances made to Native States alone amount to over four crores of rupees.

83. I may here state that it is the intention of Government to invest, from time to time, in British Consols or other Sterling Securities, the sums which may be accumulated in the Gold Reserve Fund.

84. With regard to the control of coinage operations, I think that a practical rule of conduct is to be found in maintaining as closely as possible, a sufficient sum in rupees in the Currency Reserve, to meet all demands which experience shows may reasonably be anticipated, and, for the present, we may hold in sovereigns, the balance of our Currency Reserve exclusive of the ten crores invested in Rupee Paper.

85. This is what we have resolved to do, and although we have not yet been able to accumulate in our Currency Reserve the full sum in rupees which it is in our opinion desirable to maintain, the failure to secure this accumulation is due solely to the limited capacity of our mints and to their inability to turn out rupees as quickly as they have been required to meet an extraordinary and unprecedented demand.

86. I submit a statement showing the results of our rupee coinage operations during the past financial year :—

Amount of Rupees, coined 1900-1901.

1900.									1901.		TOTAL FOR 11 MONTHS.
April.	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	
67,70,538	86,95,312	1,26,47,856	74,38,228	88,28,057	1,45,95,261	1,59,72,707	1,54,65,446	1,60,30,063	2,44,35,608	1,99,01,678	15,07,80,754

Of the above total coinage exceeding 15 crores, 3 crores and 23 lakhs were coined for, and issued to, Native States.

The monthly outturn for account of the Government of India varies considerably, but this variation must not be taken as an index of the opinion of Government as regards requirements, for the coinage of rupees for our own requirements has been hampered by the fact that our mints have been under obligations to coin, besides rupees for our own needs, both dollars for the Colonies, and rupees for Native States, and, as regards the latter operation, no one will dispute the great advantages from every point of view of having a uniform currency circulation throughout the Indian Empire. This desirable end we now appear to be in a fair way of attaining, and apart from the advantages of securing a uniform currency, we were bound, at no matter what inconvenience to ourselves, to fulfil our contracts to Native States. We have, however, taken such measures as were possible to increase the capacity of our mints, with the result of reaching an average monthly outturn exceeding two crores of rupees in the last two months for which we have the returns.

The figures of the Table submitted, show a total coinage for 11 months (the figures for March are not yet available) exceeding 15 crores, and for the 12 months of the financial year we shall presumably reach approximately 17 crores, of which between 13 and 14 crores constitute an addition to the rupee currency of British India. This is an enormous and surprising addition, but we have not allowed ourselves to be tempted by the large possible profits of the operation. We have not gone beyond supplying possible demands, and we have taken adequate precautions to insure the realizable value of this extraordinary addition to our token currency. I believe that what we have done has been both necessary and safe.

87. On this question I may point out that the figures of outturn show conclusively that there has been no hesitation on the part of Government to take every possible measure to provide all the necessary circulating medium which current demand has indicated as required for the business of the country.

88. To sum up, I may say that we have endeavoured, and will endeavour, to regulate the sale of Council Drafts in accordance with trade demands; that we have endeavoured, and will endeavour, to maintain a stock of rupees in our Currency Reserve sufficient to satisfy all reasonably to-be-anticipated demands, and even if such demands continue beyond reasonable anticipation, we still hope to maintain and improve our position. Finally, we shall accumulate from coinage profits a substantial gold reserve, independent of the Currency Reserve, and we shall from time to time invest the gold accumulated in Sterling Securities.

89. I venture to hold that this system which we have adopted in accordance with a deliberate policy, is as nearly automatic as any that could be devised, and I think that there are practical difficulties in the way of any attempt to stereotype such a system by legislative enactment.

90. First, I may observe that the effects of legislation are necessarily so restrictive that, though they may enforce automatic action under one set of conditions, they inevitably limit automatic action if those conditions are changed. Thus, under existing conditions, and with due regard to the present average circulation of notes, we may think that we ought to keep a certain amount of rupees in the Currency Reserve, and that we can afford to hold a certain number of sovereigns in the same fund. But the circulation of currency notes may increase or diminish (I hope and anticipate the former), and the general requirements for rupee currency may also increase or diminish; if such changes of condition occurred, what would be our position if the proportion of rupees to sovereigns in the Currency Reserve were fixed by law?

91. We have fixed this proportion in our own minds, but, if the conditions on which our estimate is based should change, we are quite prepared to change the proportion which we have temporarily accepted as our guide. This, as we now stand, can be done immediately without recourse to legislative enactment, and without that undesirable disturbance of the public mind, which legislation on such delicate questions is liable to produce.

92. In concluding my remarks on this subject, I think it will be of interest to state what is our position to-day as regards note circulation, rupees and silver bullion in the Currency Reserve, gold in the Currency Reserve, and gold in the Gold Reserve Fund.

The figures on March 7, were as follows:—

Notes in circulation	R28,09,15 765
Rupees in the Currency Reserve	„ 5,87,12,865
Value of silver bullion in the Currency Reserve	„ 1,78,48,764
Gold in the Currency Reserve	£ 16,956,946
Gold in the Gold Reserve Fund	£ 800,000
Total silver	R7,65,61,629
Total gold	£ 7,756,946

Circulation of Currency Notes.

93. The Government of India some time ago addressed inquiries to the Local Governments, Presidency Banks, and Chambers of Commerce, soliciting their opinion as to the best method of increasing the circulation of currency notes.

94. I think that this is a very important question, and that the entire banking and commercial community will admit that it is desirable, if possible, to increase the circulation of notes. But the problem how best to do so, without incurring undesirable risks and expenditure, bristles with difficulties.

95. I cannot say that the numerous valuable communications, which we have received from the authorities whom we have consulted, have gone very far towards furnishing a definite solution of the problem, for the divergency of the opinions offered is remarkable. Difficulties, of which we were already aware, are emphasised, and the only general conclusion to be drawn is, that it is practically impossible to take any heroic measures; that we can only safely venture on some very limited experiment; and that it will take a very long time for important results to be achieved.

96. With reference to this question, I may perhaps say a word regarding the criticisms on the circular of inquiry issued by the Government of India which have appeared freely in the press. It has been stated more than once that it is evident from

the terms of the circular that the Government of India did not know its own mind on the question propounded. I am very willing to admit that, when making the inquiry, the Government of India had arrived at no definite decision as to how best to arrive at a desirable end. But I cannot admit that this is fair ground for hostile criticism.

97. The business public undoubtedly desire that Government should take them into their confidence, and ask their opinions on such important questions. But it seems to me that it would be rather late in the day to ask opinions when we had definitely made up our own minds. I am not deprecating press criticism; on the contrary, if intelligently conducted, as it very frequently is, it is most valuable. But I think that it is not quite logical, both to blame Government for autocratic decisions, as is sometimes done, and also to accuse Government of indecision, when it is seeking the solution of a difficult problem, and asks the opinion of competent advisers.

98. It is unnecessary to recapitulate all the difficulties of this particular question, for they are well known to all who have studied the subject. I will only say that Government recognize as the most serious difficulty to be met, the probable use of notes for large remittances, and the expense of maintaining at out-treasuries a sufficient stock of rupees to cash notes when suddenly presented for large sums. Even with the existing circulation, under existing conditions and limitations as regards encashment, we are not always able to supply rupees to those who present notes and ask for them. I am, however, strongly of opinion that if the use of currency notes became more general, and larger amounts were held in circulation, the percentage of rupees required to meet demands for encashment, would be considerably less than that which is required to-day, when, unfortunately, the circulation of notes is still hampered by the fact, that the holder of the note cannot be assured of converting it into rupees at the Treasury, and is therefore willing, and sometimes obliged, to dispose of his note in the bazar, at a discount. I hope, however, that considerable improvement may gradually be made in this respect, and that before long we may go even further and find ourselves able to adopt some limited measure in the direction of encouraging and increasing the circulation.

99. Before quitting this subject, it may be of interest if I quote some figures showing the tendency to increase in the circulation of notes during the last few years.

I.—Statement showing the gross circulation of paper currency for all India.

	1897-98.	1898-99.	1899-1900.	1900-1901.*
	₹	₹	₹	₹
Average	24,24,00,000	25,63,00,000	27,96,00,000	28,79,00,000
Maximum	24,76,00,000	28,20,00,000	29,27,00,000	30,78,00,000
Minimum	22,86,00,000	23,25,00,000	26,26,00,000	27,90,00,000

* Eleven months only.

II.—Statement showing in lakhs the circulation of paper currency excluding amounts held by the Government Reserve Treasuries and by the Presidency Banks at their head offices.

	1897-98.	1898-99.	1899-1900.	1900-1901. †
	₹	₹	₹	₹
Average	20,35,00,000	20,79,00,000	23,09,00,000	23,84,00,000
Maximum	21,20,00,000	22,49,00,000	24,41,00,000	25,02,00,000
Minimum	19,44,00,000	19,43,00,000	21,94,00,000	22,85,00,000

† Eleven months only.

100. The above tables show a decided and satisfactory increase in the average note-circulation in the hands of the public during the last four years, and I think that the indication thus given by facts, is a sufficient encouragement to persevere in the policy of seeking to augment our note circulation.

Economic Progress.

101. We have reviewed the financial situation in its more important features. We may now turn to the consideration of the economic situation.

102. In my opinion, the question of economic development is one in which those responsible for the financial situation must take the keenest interest. It has always appeared to me that it is comparatively easy for a Government, to take money out of the pockets of the public, provided that those pockets are sufficiently well-filled. Hence, I think that we are specially interested in doing all that is in our power to promote economic progress.

103. I pass to the consideration of certain facts and figures indicative of the economic situation.

104. In dealing with the great question of meeting famine requirements, I have already alluded to the recuperative power of India. The fact that we have been able to meet the extraordinary demands on our resources, due to famine and plague, and that we are to-day able to present a budget showing, notwithstanding the simultaneous serious depression in three such important industries as cotton, tea, and indigo, a distinct and satisfactory increase of revenue obtained without increase of taxation, is in itself the strongest evidence of that recuperative power. But I think that close examination of certain material facts will afford further proof that our belief in this recuperative power is not an idle assumption.

105. We may first consider the more important indications of the figures of revenue returns during the last four years.

106. It was natural and inevitable, that the land revenue in certain provinces should suffer and diminish through the direct influence of the calamities which have befallen us, but, whilst land revenue has necessarily fallen off in some afflicted provinces, in others, more favoured by Providence, the collections have increased with the prosperity of the people. Fortunately too we are not dependent on land revenue alone, and I observe, with some satisfaction, that on the whole, over a series of years, the proportion of land revenue to the total of our resources shows a diminishing tendency.

107. In 1897-98 the proportion of land revenue to general revenue was 26·63 per cent, in 1898-99 27·08 per cent, in 1899-1900 25·07 per cent, in 1900-1901 it will be 23·54 per cent, and the estimates for 1901-1902 result in a proportion of 25·17 per cent.

108. There are certain other sources of revenue, which I trust will, year by year, assume greater importance, and in the returns from which we may find indications of general economic progress. In particular I think that such indications may be noted in the increasing revenue derived from Salt, Customs, and Post Office. The following are the figures under these respective heads:—

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	Revised, 1900-1901.
	R	R	R	R
Salt Revenue . .	8,59,42,250	9,09,98,713	8,77,56,944	8,92,66,000
Customs Revenue—				
Import duties .	3,73,51,650	3,59,25,090	3,61,39,583	3,89,65,000
Excise duty on cotton goods .	11,61,880	13,72,910	13,36,623	10,88,000
Export duty . .	72,48,190	1,01,12,130	87,63,905	90,09,000
Land Customs and Miscellaneous .	6,51,230	6,11,490	7,66,751	8,00,000
TOTAL .	4,64,12,950	4,80,21,620	4,70,06,862	4,98,62,000
Post Office Revenue .	1,87,91,630	1,91,40,671	1,96,24,722	2,03,04,000

I think that the Salt revenue returns are particularly encouraging as indicating not only a steadily increasing tendency, but in particular, as showing that even in the past disastrous year of famine and pestilence, the general consuming power of the population, as a whole, not only suffered no diminution, but, on the contrary, showed an improvement over the preceding year.

109. The same considerations apply to the figures of Customs Revenue, though even in a more remarkable manner, for whilst we find a diminution of about $2\frac{1}{2}$ lakhs in the yield of Excise duty on cotton goods, a diminution due to an industrial crisis

and having no connection with the general condition of the country, under all other heads, there was a marked increase, resulting in a total improvement, over the previous year, of nearly 29 lakhs, and producing the highest total figure of revenue recorded by the Customs Department, since the duties on cotton yarns were abolished in 1896.

110. As regards Post Office revenue, the same absolute conclusions cannot be drawn from the fluctuations of revenue as may be fairly assumed in the case of Salt and Customs. Post Office profits are necessarily seriously affected by arbitrary reductions of postage rates, which, however necessary and profitable in the long run, must cause an immediate, though temporary, falling off in receipts.

111. I think, however, that when, as in the case of the Indian Post Office returns, a steady progress of revenue is observable, we are entitled to consider such progress as strong evidence of satisfactory economic development, a development which has not only material, pecuniary results, but is important, as evidence of general moral progress.

112. I have already alluded to the growth of Railway revenues, and, although the task of drawing conclusions from the figures of railway receipts is complicated by the difficulty of distinguishing increase due to increased mileage, from increase due to increased traffic, nevertheless, the actual increase of gross railway receipts affords positive proof of greater movement on the railways, and, in so far, of general development.

113. The most important industry in India and the one directly interesting the innumerably larger proportion of the population is agriculture.

114. The prosperity of the agricultural population, the deepest concern of the Government of India, has, in the last five years, received apparently crushing blows through the unprecedented recurrence of famine. The effect of repeated droughts is indeed far reaching, and the terrible loss of cattle is a most distressing incident of the late famine, which will long make itself felt in Gujarat and other similarly affected districts; but the figures of Land Revenue, which I have quoted, conclusively show that, whilst some unfortunate territories have suffered most severely, others have prospered, with the general result that, as a whole, the agricultural population in the Indian Empire is somewhat better off to-day than it was a year ago.

115. *Primâ facie*, this is certainly an astonishing conclusion, but if the whole situation be examined it is perfectly natural and logical. Bengal, the Punjab and Madras show by the land revenue returns that they have been doing well, Assam has held its own, and Burma, favoured with a magnificent rice crop, was able to export its staple produce, on the most profitable terms, to feed the famished peoples of Western and Central India, and is in a condition of remarkable prosperity. Further it may here be mentioned that the unprecedented transport of food-stuffs on the railways, swelled Railway Receipts, and contributed a useful addition of Revenue wherewith to meet the demands of famine sufferers.

116. Two special branches of agricultural industry, indigo and tea, are unfortunately now passing through a serious crisis. Indigo is being hard pushed by the competition of a foreign chemical product, and the easily made profits of former days have become a thing of the past. But, when the first stages of consideration and research have already revealed that there has been room for economy in administration, that superior crops can be raised by manuring, scientific rotation and selection of seed, and that the actual product of the vats can be increased up to 30 per cent by the use of the 'blower,' there would appear to be reasonable hope for a return to more prosperous days.

117. The history of the tea industry in India has been a very chequered one, alternating between periods of great prosperity and the deepest depression, and it may, therefore, be hoped that the present crisis, which seems to be generally attributed to overproduction, may in its turn be succeeded by a renewed period of prosperity.

118. Manufacturing industries still hold but a very small proportionate place in the economy of India, but their importance is increasing and there is every reason to desire that it should increase. The cotton industry, the most important hitherto, is unfortunately passing through a period of considerable depression, and in some quarters it is held that the introduction of spinning high numbers will be necessary to secure a full revival.

119. Cotton is, however, the only manufacturing industry which appears to be in even temporary difficulties, and the rapid increase in the number of important factories and workshops during the last few years is really remarkable and most encouraging.

120. I may cite a few examples of industrial development.

121. In the year 1895 there were 350 cotton factories including spinning and weaving mills, and there were 586 such factories in 1899. The number of engineering

workshops and foundries, including railway workshops, rose from 72 in 1895 to 82 in 1899, and jute mills and presses from 62 to 82. Rice mills numbered 65 in 1895 as against 84 in 1899, and sugar factories 9 in 1895 as against 14 in 1899.

122. The imports of machinery and mill-work and of iron and steel, also afford important indications of progress. These have, as might have been expected, been recently adversely affected by the serious depression in the cotton industry, by far the most important manufacturing interest in the country. Nevertheless, if we take into consideration the natural effects of this special depression during the last two years, it is most satisfactory to find that the average value of imports of machinery and mill-work during the last five years, has surpassed that of the previous quinquennial period, by, approximately, 75 lakhs, equivalent to an increase of nearly 30 per cent.

123. Perhaps, however, the most satisfactory statistics are those showing the production and export of coal during the last few years. The exports of coal, which only amounted to 222,380 tons in the year 1897, reached 490,490 tons in 1900, and there appears every reason to anticipate further progressive development in this direction.

124. As regards the total output of coal, in 1897 it was 4,063,127 tons, whilst in 1899 it reached 5,089,392 tons, showing an increase in two years of about 25 per cent, and the figures so far available for the subsequent period, show that progress is being well maintained.

125. Other interesting figures bearing on the question of economic welfare are to be found in the statistics of the Savings Banks and Provident Institutions.

126. Between 1895-96 and 1899-1900 the balance at the credit of depositors increased by ₹1,88,111 notwithstanding the two disastrous periods of famine with which the country was afflicted during this short term of years.

127. As regards the condition of trade, as apart from industry, it is rather difficult to fix on any special figures from which to generalise or draw sound conclusions. I give, however, below, a table showing the value of exports and imports, exclusive of treasure and Government stores, during the last four financial years, and for ten months of the current year. This table shows a slight falling off in exports during the year 1899-1900, amounting, however, to less than 4 per cent, but taking all the figures of both export and import together, the total value of trade is only about 1 per cent less than for 1898-99, and considerably in excess of the preceding years tabulated. Considering the numerous disadvantages under which the export trade has been labouring since the recommencement of famine, I think that on the whole these figures indicate commercial strength, and a generally satisfactory situation.

	1896-97.	1897-98.	1898-99.	1899-1900.	1900-1901. Ten months, 1st April to 31st January.
	₹	₹	₹	₹	₹
Total Imports . .	71,79,38,293	69,26,66,625	68,38,03,412	70,71,18,634	62,06,92,778
„ Exports (including re-exports) .	1,03,91,42,972	97,53,72,730	1,12,72,14,730	1,08,97,61,873	86,98,70,628
Total Exports and Imports . . .	1,75,70,81,265	1,66,80,39,355	1,81,10,18,142	1,79,68,80,507	1,49,05,63,406
Excess Exports over Imports . . .	32,12,04,679	28,27,06,105	44,34,11,318	38,26,43,239	24,91,77,850

128. Another point connected with the question of the general trade situation, and which affects traders very closely, is the bank rate for the use of money.

129. The annexed Table shows the rate of the Bank of Bengal month by month, since January 1897, and it will be observed that since August 1898, a fairly uniform tendency has prevailed, and that a maximum rate of 8 per cent has rarely been reached and never passed. I think that an 8 per cent rate during the busiest season of the year is no serious hindrance to business in India, although, if we could reduce our normal maximum to 6 per cent, it would be an advantage. But we must remember that if the rate of interest in India were brought down to the low averages prevailing in Western Europe, there would no longer be any temptation to capital to seek investment so far afield.

130. In connection with this question I may point out that, according to the figures tabulated, there is much less relation, in India, between the volume of trade and the rate of interest than would naturally be supposed.

131. It will be observed from the subjoined Table that, whilst a 7 per cent rate existed concurrently with the comparatively small exports during October and November 1897, no higher rate was induced by the comparatively large exports in the first three

months of 1899; and that, whilst a 10 per cent rate was maintained in April 1897, when the value of exports was below average, a 5 per cent rate sufficed for the large exports of October 1900.

132. These figures would seem to indicate that the rate of discount, and therefore the demand for loanable capital, has been at times, more dependent on speculation and the nervous apprehensions of traders, than on the real requirements of trade.

133. The consideration of these figures leads me to hope, that provided our money markets do not become the victims of speculators (and to avoid this we must rely on the prudence and good sense of the banking community), we are now reaching a more permanently stable monetary condition, than that which existed three or four years ago.

134. A factor tending in this direction is, I think, to be found in the development of communications and increasing facilities of credit, which must tend to prolong the seasons for export of such staples as rice, jute, cotton and seeds, and thus facilitate the financing of the trade.

Statement showing the value of Merchandise exported from India during the years 1897, 1898, 1899 and 1900 with the Bengal Bank's maximum published rate of interest and the rate of Council Bills for the same period.

Months.	1897.			1898.			1899.			1900.			1901.		
	Value of exports.	Rate* for Council Bills.	Rate of interest.	Value of exports.	Rate* for Council Bills.	Rate of interest.	Value of exports.	Rate* for Council Bills.	Rate of interest.	Value of exports.	Rate* for Council Bills.	Rate of interest.	Value of exports.	Rate* for Council Bills.	Rate of interest.
	₹	Pence per rupee.	Per cent.	₹	Pence per rupee.	Per cent.	₹	Pence per rupee.	Per cent.	₹	Pence per rupee.	†Per cent.	₹	Pence per rupee.	Per cent.
January .	8,73,04,851	15·189	10	9,34,52,784	16·002	11	10,21,84,221	16·087	7	10,32,92,817	16·160	8	10,43,47,203	16·031	7
February .	9,82,61,163	15·241	10	9,70,68,863	15·920	12	10,07,42,555	16·077	7	9,79,89,343	16·098	8	10,35,00,000	15·954	8
March . .	10,25,04,193	15·066	10	9,94,31,556	15·874	12	11,14,04,069	16·019	7	9,01 30,034	16·041	8			
April . .	7,22,02,871	15·009	10	9,53,28,942	15·959	12	9,21,95,847	15·995	7	8,03,05,815	15·973	6			
May . .	8,09,19,405	14·455	10	10,85,85,324	15·961	11	9,20,44,648	15·979	6	9,17,46,214	15·987	6			
June . .	7,19,85,838	14·648	10	9,42,65,299	15·888	11	8,67,99,268	15·994	5	7,95,87,619	15·981	5			
July . .	7,62,03,383	15·031	7	9,62,28,911	15·801	8	9,73,36,326	15·984	5	7,49,66,216	15·941	4			
August . .	7,17,54,950	15·494	5	8,90,21,171	15·899	4	8,78,49,348	15·972	4	7,69,67,938	15·933	4			
September .	6,57,94,038	15·814	6	8,09,44,965	15·966	5	8,11,85,607	16·079	6	7,14,77,871	15·951	5			
October .	7,46,14,910	—(1)	7	8,26,62,148	15·987	5	8,77,16,005	16·135	8	10,38,06,652	15·933	5			
November .	8,88,93,382	—(1)	7	8,05,72,895	15·954	5	8,19,98,412	16·118	7	8,89,31,218	15·963	4			
December .	8,20,47,750	15·400	9	8,52,74,230	16·007	6	9,15,78,640	16·059	7	9,78,67,151	16·037	7			
TOTAL .	97,34,86,734	...	...	1,10,28,40,088	...	...	1,11,30,34,946	...	...	1,05,70,68,888	...	...			

(1) No bills were drawn in these months on account of the famine. * Average rate. † Approximate.

Conclusion.

135. I may now endeavour to sum up the general situation.

136. It has been shown that our economic situation, on which our financial situation depends, is, notwithstanding checks in certain directions where it has been prejudicially affected by known causes, on the whole good: that, wherever not prejudiced by such special, and it may be anticipated, temporary difficulties, it is progressive, and that the evidences of general recuperative power are many and satisfactory.

137. At the same time, in a country where the returns of Revenue depend so largely upon meteorological conditions impossible to foresee or to control, it behoves us to frame our Estimates with great caution. This we have done, and still our Estimates of Revenue Receipts show an increase of over £2,000,000 above those framed by my predecessor for the closing financial year, and if we remove from the Account the purely fortuitous receipt of, approximately, £3,000,000 on account of Mint operations, they are slightly in excess of the realisations of 1900-1901.

138. It is indeed fortunate that we are able to present such satisfactory figures, for, as already stated, we are not yet free from the charges and consequences of famine.

139. It has been our first care to afford relief from the financial prostration affecting so many Provinces, where not only necessary Balances have been exhausted, but where also, stern need for the strictest economy has most unduly curtailed expenditure necessary to meet many primary needs of society, such as public works, education, medical

requirements, and administrative improvements. We have been as liberal in this direction as prudence permitted, and have made grants-in-aid to Provincial Revenues amounting in the aggregate to 164½ lakhs.

140. In addition to this abnormal charge on our Revenues, we must devote one crore of rupees from the Famine Insurance Grant to direct famine expenditure in the still afflicted districts, and to this again, as a consequence of the lessons of the South African War, is added a large sum for Army Services, increasing the estimated charge on this account by £876,500 above the sum sanctioned for 1900-1901.

141. These large extraordinary charges, amounting together to over £2,600,000, are, however, more than balanced by an estimated reduction, as compared with last year, of £3,245,000 in general famine expenditure, and by the exercise of strict economy where permissible, we are finally able to show a surplus of £690,900 to be carried forward to Capital Account and to reduce by so much the amount which we shall be obliged to borrow for railway construction and irrigation works, on the prosecution of which we are so largely dependent both for general economic progress and for protection from the direct and indirect effects of recurring famine.

142. In conclusion I may say that the Estimates for 1901-1902 are of good promise, and that, unless our reasonable anticipations are falsified by an unprecedented recurrence of serious disasters, we are entitled to look forward with some confidence to the future, and to hope for the early dawn of a period of considerable prosperity."

March 20, 1901. E. FG. LAW.

PART II.

BEING A MEMORANDUM BY THE FINANCIAL SECRETARY EXAMINING THE DETAILS OF THE ACCOUNTS AND ESTIMATES.

Section I.—The Accounts of 1899-1900.

1899-1900. General Result.

143. The surplus of the year in the Accounts was £2,774,623, being larger by £221,823 than that anticipated when the Revised Estimate was framed in March last.

144. The variations between the figures finally entering into the Accounts and those taken in the Budget and Revised Estimates of the year are fully explained in the Appropriation Report published in the *Gazette of India* of the 16th instant.

1899-1900. Statement of the gross figures.

145. The following is a general comparison of the Revised Estimates with the Accounts of the year :—

	Revised.	Accounts.	Accounts, better.	Accounts, worse.
REVENUE.	£	£	£	£
India	68,284,700	68,373,621	88,921	...
England	247,700	263,543	15,843	...
TOTAL .	68,532,400	68,637,164	104,764	...
EXPENDITURE.				
India—				
Imperial, Provincial, and Local .	49,681,200	49,675,915	5,285	...
Adjustment of Provincial and Local Surplus or Deficit . . .	—199,000	—206,220	7,220	...
NET .	49,482,200	49,469,695	12,505	...
England	16,497,400	16,392,846	104,554	...
TOTAL .	65,979,600	65,862,541	117,059	...
SURPLUS .	2,552,800	2,774,623	221,823	...

1899-1900. Revenue in India.

146. The increase in the Revenue in India occurred under Railway Revenue, which improved to the extent of £123,492, and Stamps, under which the increase was £33,776, distributed over all the Provinces. The other heads yielded rather less than the Revised Estimate, the larger decreases being, Land Revenue £35,744—in Madras, Bombay, and the Central Provinces—, Salt £28,637—in Madras and Bombay—, Customs £19,509, Provincial Rates £15,717, Irrigation £15,338—chiefly in the Punjab—, Forest £8,275, and Interest £2,119.

1899-1900. Expenditure in India.

147. The actual expenditure in India was, on the whole, very slightly less than the Revised Estimate. The largest decrease was one of £103,617 under Army, and the largest increase of £31,438 in Minor Irrigation Works, and of £21,701 in Famine Relief.

1899-1900. Revenue and Expenditure in England.

148. The increase in Sterling Revenue occurred under Interest and Army. The decrease in Sterling Expenditure occurred chiefly under Army Stores, £24,474; Marine Subsidy to the Admiralty, £14,600, owing to the postponement of a payment to the Admiralty pending settlement of a doubtful point; Sundry Marine items, £15,339; Telegraph stores, £6,108; Interest, £11,314; Pension Fund payments, £7,981; Military furlough allowances and pay of British Forces during the voyage to India, £10,355; Indian Troop Service, £5,006.

Section II.—The Revised Estimate of 1900-1901.

1900-1901. Statement of the gross figures.

149. The following is a general comparison of the Budget Estimate with the Revised Estimate of 1900-1901 :—

	Budget.	Revised.	Revised, better.	Revised, worse.
REVENUE.	£	£	£	£
India	69,978,300	74,951,900	4,973,600	...
England	177,500	214,100	36,600	...
TOTAL	70,155,800	75,166,000	5,010,200	...
EXPENDITURE.				
India—				
Imperial, Provincial, and Local	53,297,100	56,324,300	...	3,027,200
Adjustment of Provincial and Local Surplus or Deficit	−550,600	+25,800	...	576,400
NET	52,746,500	56,350,100	...	3,603,600
England	17,249,000	17,175,500	73,500	...
TOTAL	69,995,500	73,525,600	...	3,530,100
SURPLUS	160,300	1,640,400	1,480,100	...

1900-1901. General features.

150. An entirely novel feature of this year is to be noticed in the enormous receipts and charges under Mint. The new receipts are the profits on the very large coinage of rupees which has been undertaken this year, and the new charges represent the transfer of the net profit to the Gold Reserve Fund, the Government, as is explained elsewhere in this Statement, having decided to hold the profit on any coinage of rupees which occurs in any year in the Reserve Fund, instead of allowing it to swell the surplus of the year. For comparison of the figures of this year with those of previous years, a deduction of about 4½ crores of rupees, or £3,000,000, has to be made from both sides of the account.

The Estimates were framed on the assumption that the monsoon would be normal, and would bring its priceless rain at the normal date. It was somewhat late throughout India; and in Bombay the quantity of rain and the dates on which it fell were so unsuitable that the continuance of famine relief till the next monsoon is necessary in that Province. In consequence, the Estimate of the Expenditure on Famine Relief—a very liberal one on the assumption made—has proved insufficient and has had to be increased by nearly £880,000, and the collections of Land Revenue and Provincial Rates, and of Tributes from Native States affected by famine will fall short of the Estimate by £474,000. On the other hand, there are savings in connection with the despatch of troops to China and the continued absence of the troops in Africa, which including the reductions connected with that absence in payments in England may be taken at about £900,000, as well as other savings on the Military Estimates. The high prices of Opium have increased the Opium receipts by over £500,000. The net Railway earnings yield another increase of about the same amount: this being largely due to special famine traffic. Irrigation shows an increase of about £180,000. And other heads of Revenue have also improved considerably in spite of the famine. The net result is an improvement of nearly a million-and-a-half sterling, which raises the surplus of the year from the nominal amount taken in the Budget Estimate to the substantial amount of £1,640,400.

151. The Mint receipts and charges being omitted, there is an increase in Revenue in India of R3,25,19,000 or £2,167,900, and an increase in Expenditure in India of R10,54,000 or £70,200. Of this net improvement of R3,14,65,000 or £2,097,700, the sum of R2,28,19,000 or £1,521,300 is in the Imperial Section of the Accounts, and R86,46,000 or £576,400 in the Provincial-Local Section. In England the Revenue exceeds the Budget Estimate by £36,600, while the Expenditure is less by £73,500, the whole sterling improvement being £110,100. This sum being added to the improvement in the Imperial Section in India

gives an increase in the surplus of £1,631,400. The deduction of £151,300, which is the increase in the net expenditure of the Mints, yields the improvement in the surplus of £1,480,100 shown in the table in paragraph 149.

152. The important decreases of Revenue in India are :— *1900-1901. Decreases of Revenue in India.*

	R
Land Revenue	57,43,000
Provincial Rates	7,69,000
Tributes	6,02,000

These are all caused by the intensification of the famine in consequence of the delay in the monsoon.

153. Larger suspensions and remissions are expected to reduce the collections to the following extents :— *1900-1901. Land Revenue. Provincial Rates.*

	Land Revenue.	Provincial Rates.
	R	R
In Bombay	49,28,000	4,18,000
„ the Punjab	10,65,000	1,95,000
„ the Central Provinces	12,75,000	2,83,000

There are also small decreases in Madras, the North-Western Provinces, and Assam, and a small increase in Bengal: these are ordinary variations, the reduction in Assam being, however, caused by floods in September last. Burma, as usual, yields a large increase, amounting this year to R19,55,000 under Land Revenue, and R50,000 under Provincial Rates.

154. The present famine affected not only districts of British India, but also many important Native States. The States have, with the assistance of Government officers, combated the famine in a most creditable way, and have borne the expenditure. To enable them to do this, however, very many have required help in the shape of loans, which have been freely granted as will be seen from a reference to the figures in paragraph 242. In some cases also the payment of tribute by the States has been suspended, and the receipts under this head of Revenue have accordingly fallen short of the Budget Estimate. *1900-1901. Tributes.*

155. The important increases of Revenue in India are :— *1900-1901. Increases of Revenue in India.*

	R
Opium	85,82,000
Salt	15,90,000
Stamps	11,45,000
Excise	20,65,000
Customs	28,49,000
Forest	13,62,000
Post Office	4,96,000
Telegraph	12,00,000
Mint	4,20,85,000
Marine	5,89,000
State Railways, Gross Receipts 1,43,32,000 Guaranteed Railways, Net Receipts 1,62,000	1,44,94,000
Irrigation, Major Works	26,84,000
Army	20,71,000

156. The receipts from the pass duty on the exports of Malwa Opium in Bombay are expected to yield a small increase of R2,00,000 above the Budget Estimate. But almost the whole of the increase in Opium Revenue occurs in Bengal, R83,75,000. The chief cause is that the average price realised at the monthly sales has been R1,361 a chest, whereas the price assumed in the Budget Estimate was R1,200: on the 44,400 chests taken as for sale in the Estimate, this rise in price yields an improvement of R71,48,400. The sales in the last three months of the year were also increased by 900 chests, the receipts from which at the actual average rate of the year amount to R12,24,900. *1900-1901. Opium. Receipts.*

157. Salt is the one head of Revenue in Burma which fails to give indications of the great prosperity of that Province; and the Burma Salt Revenue is expected this year to fall short of the Budget Estimate by R2,27,000. The Government of India has for some years been in correspondence with the Local Government in the hope of removing the causes which so strangely cause this exception to the general rule in Burma; but the results have not as yet produced any effect visible in figures. *1900-1901. Salt Revenue.*

In all other Provinces the Salt Revenue shows a satisfactory improvement over the Budget Estimate: the increases being —

	₹
Bombay	7,30,000
Northern India Salt Department	3,92,000
Bengal	3,77,000
Madras	3,18,000

1900-1901. Stamp Revenue.

158. The Stamp Revenue has declined appreciably in the Punjab and the Central Provinces, and to a small extent in Assam and Bombay, but has developed to a remarkable extent in the other Provinces, the increases being —

	₹
North-Western Provinces and Oudh	6,50,000
Madras	3,16,000
Bengal	3,00,000
Burma	2,00,000

1900-1901. Excise Revenue.

159. The improvement in Excise Revenue has been still greater, and it is distributed over all the Provinces except Bombay—where the decline which began last year has continued with the result of a fall of ₹5,85,000 below the Budget Estimate—and in the Punjab—where the moderate increase over the previous year which the Budget Estimate anticipated will not be quite reached. The decline which began three years ago in Madras has now ceased. The larger increases are :—

	₹
Bengal	7,00,000
Madras	7,64,000
Burma	5,00,000
North-Western Provinces and Oudh	5,50,000

1900-1901. Customs Revenue.

160. The Customs Revenue shows a small decline in Madras, but a large improvement in the other three Maritime Provinces, the improvement on the whole amounting to the very large sum of ₹28,49,000.

The duties on silver are declining. They yielded in 1899-1900 over 24 lakhs: the Budget Estimate took for them 20½ lakhs: they are now expected to yield this year only 14½ lakhs. The duties on Arms, on Liquors, on Chemicals and Drugs, and on Cotton Goods also show decreases, of smaller amounts. Those on Metals, on Oils, on Manufactured Articles and on Raw Materials and Unmanufactured Articles and the Rice Export Duties show substantial increases. But the most remarkable figures are those connected with the large imports of sugar: there are increases in the Countervailing Sugar Duties of 11½ lakhs, and in the Duties on Articles of Food and Drink (including, and mainly in, the ordinary duty on Sugar) of 12 lakhs.

1900-1901. Forest Revenue.

161. The increase under Forest occurs in Burma, ₹9,57,000; Bombay, ₹3,31,000; Bengal, ₹1,51,000; the North-Western Provinces and Oudh, ₹90,000; Madras, ₹1,31,000; and Assam, ₹35,000. There are decreases of ₹2,83,000 in the Punjab and of ₹72,000 in the Central Provinces.

1900-1901. Post Office Receipts.

162. The Post Office Receipts increase every year with the development of the Department: the increase this year is rather above the normal.

1900-1901. Telegraph Receipts.

163. As explained in paragraphs 51 and 88 of Part II of the last Financial Statement, the increase of Telegraph Receipts in 1899-1900 was abnormally large in consequence of the use of telegrams connected with war and famine, and it was anticipated that the high level reached in that year would not be maintained. But similar causes have continued to act and the receipts are expected to exceed the Budget Estimate by 12 lakhs.

1900-1901. Mint Receipts.

164. As mentioned in paragraph 150 above, the enormous increase in the Mint Receipts is one which does not affect the surplus of the year as it is counterbalanced by a corresponding entry on the Expenditure side. The need for further coinage of rupees arose towards the end of last financial year: about a crore of rupees were coined in the last two months of it, and when the last Financial Statement issued it had been decided to coin another crore in the opening months of 1900-1901. The profits on the coinage of these two sums amounted to about 32 lakhs in each year. The Indian Currency Committee had

recommended that any profit on the coinage of rupees should not be credited as Revenue, but should be kept in gold as a special reserve entirely apart from the Paper Currency Reserve and the ordinary Treasury balances. When the Government of India considered the report in August 1899, it did not seem probable that the need for the coinage of additional rupees would occur for some time, and a decision on that recommendation was deferred. When the need for coinage arose somewhat suddenly in consequence of the very large imports of gold in the latter part of 1899-1900, the necessary communications with the Secretary of State regarding the recommendation and the method of giving effect to it had not been made. The profits on the coinage of the amounts above mentioned were accordingly treated in March last in ordinary course as Revenue. The orders of the Secretary of State have since been obtained: the principle of the recommendation has been accepted ; and it has been decided to continue to show the profits as Mint Revenue, but to show the net profits as Expenditure, crediting the amount to the Gold Reserve Fund, for remittance to England for investment in sterling securities: the remittance will be made either by actual shipment of the gold, or, if there is a sufficient demand, by the sale of Council Bills in excess of the amount required for the regular disbursements in London. This decision has effect from April 1900, the small credit to Revenue in the Accounts of 1899-1900 being left undisturbed. The coinage in the current year has far exceeded the crore mentioned in the last Financial Statement : the profits on the coinage of the year, shown as Mint Receipts, are expected to amount to ₹4,58,30,000 and the net profits, shown as Mint Expenditure and transferred to the credit of the Gold Reserve Fund for ultimate remittance to England, to ₹4,39,50,000. The difference between the two amounts is due to the fact that in calculating the net profits the cost of remittance of gold to London and silver to India, the cost of coinage, and incidental expenses connected with the transactions are taken into account. The whole of the last-named amount is not immediately available for remittance and investment in sterling securities. The enormous demands on the Treasury balances in the earlier part of the year caused by the famine in the way of direct expenditure on famine relief, of indirect expenditure and reduction of revenue, of agricultural advances, and of loans to Native States affected by famine, compelled the Government of India to use the profits on the coinage up to the end of December in aid of the general balances in order to keep the borrowing of the year within the amount which there was a prospect of raising on reasonable terms. The profits on the coinage from January 1901 are being transferred in sovereigns to the Gold Reserve Fund month by month as the coinage proceeds: the amount for the three months, January to March, is estimated at 180 lakhs or £1,200,000; and that sum is held in gold in India pending remittance for investment. The net profit on the coinage of the year transferred to the credit of the Gold Reserve Fund being ₹4,39,50,000, and the portion held in gold ready for remittance being ₹1,80,00,000, there will remain on March 31, 1901, a balance of ₹2,59,50,000 or £1,730,000 not yet converted into gold: that balance will be converted into gold for remittance gradually as the Government of India is able to provide the money out of surplus receipts. It is hoped that this may be possible in February or March 1902 in respect of the larger part of the balance. The profits on all coinage in 1901-1902 and future years will be transferred in sovereigns to the Gold Reserve Fund month by month according to the coinage of the month.

1900-1901. Marine Receipts.

165. The bulk of the increase in the Marine Receipts represents recoveries in connection with the employment of Roval Indian Marine vessels on the service of His Majesty's Imperial Government. The Pilotage Receipts in Bengal and the Coast Light Receipts in Burma have also increased.

1900-1901. Railway Earnings.

166. The Railway Revenue in 1899-1900 showed an exceptionally large improvement, so much so that in the Budget Estimate of 1900-1901 it was considered prudent to assume that the high figure of the previous year would not be maintained. The results have been much more favourable than that cautious anticipation, and the Budget Estimate will be exceeded by the very large amount shown in paragraph 155. To this improvement practically every railway in the country contributes, with the one exception of the North Western Railway, the receipts of which are expected to fall short by 41 lakhs. The

causes are general development and exceptionally heavy traffic connected with the famine.

1900-1901. Irrigation Revenue.

167. The increase in Irrigation Revenue occurs mainly in the North-Western Provinces and the Punjab, larger areas having been irrigated during both the *rabi* and *kharif* seasons, and the development of irrigation from the Chenab Canal having been rapid.

1900-1901. Army Receipts.

168. The increase in Army Receipts represents recoveries from His Majesty's Government of the cost of stores and animals sent to China.

1900-1901. Increase of Expenditure in India.

169. The important increases of Expenditure in India are :—

	₹
Mint	4,43,55,000
Jails	9,06,000
Miscellaneous	8,31,000
Famine Relief	1,32,33,000
State Railways	60,91,000
Irrigation Major Works	5,36,000

1900-1901. Mint Charges.

170. The reason for the very large increase in the Mint charges has been explained in paragraph 164 above.

1900-1901. Jail Expenditure.

171. With the exception of Burma, the Central Provinces (in which the estimate was specially high), and Assam, all the Provinces show considerable excesses over the Budget Estimate for expenditure in Jails. The Bengal Government increased its expenditure on Jail manufactures; and the Superintendent of Port Blair had to make an exceptional purchase of provisions; but the general causes of the excesses are that the Jail population was larger and the prices of food higher than anticipated, both being connected with the famine.

1900-1901. Miscellaneous Expenditure.

172. The charges for the remittance of coin have been very high in every Province, the lowness of the rupee balances having necessitated frequent remittances: the excess of these charges over the Budget Estimate amounts to ₹2,49,000.

The cost, ₹59,000, of the Famine Commission and another Commission of Inquiry was not provided for in the Budget Estimate.

But more than half of the increase in the Miscellaneous Expenditure is connected with the famine. As explained in paragraph 241, very large allotments for agricultural advances in the famine-stricken Provinces were sanctioned. Among other concessions connected therewith the Government of India gave the Local Governments authority to write off as irrecoverable half the amounts of some of the advances in cases in which they thought that desirable. The Bombay Government estimates that ₹2,70,000 and the Central Provinces Government that ₹2,60,000 will be so written off this year. These charges appear under this head.

1900-1901. Famine Relief Expenditure.

173. The causes for the increase in Famine Relief Expenditure are those mentioned in paragraph 150 above.

1900-1901. Railway Expenditure.

174. The increase in the Working Expenses of Railways was necessitated by the larger traffic, which earned the still larger increase in Revenue mentioned above.

1900-1901. Irrigation Expenditure.

175. The larger part, ₹4,04,000, of the increase in the Working Expenses of Irrigation Major Works occurs in the Punjab. It was required to repair damages caused by floods and to meet larger collection charges for the increased Revenue. Special repairs of flood damages caused smaller increases in Madras and the North-Western Provinces.

1900-1901. Decreases of Expenditure in India.

176. The important decreases of Expenditure in India are :—

	₹
3.—Land Revenue	6,41,000
Education	5,29,000
Political	19,82,000
Scientific and Minor Departments	6,29,000
Construction of Railways charged to Provincial and Local Revenues	10,05,000
Subsidized Railways, Land	8,85,000
Military Works	10,09,000
Army	1,25,98,000

177. The diminution in the charges under 3.—Land Revenue is distributed over all the Provinces except Bombay, in which there is an increase of ₹94,000 caused by sanctions during the year to schemes for the division and demarcation of waste land in Sind. The decrease may be said to be generally due to the tendency of Local Governments to make fuller provision in the Budget Estimate for payment of salaries and other charges than is actually required. *1900-1901. Land Revenue Charges.*

178. The same general explanation applies to the decrease under Education, which is distributed over all the Provinces except Madras. *1900-1901. Education Expenditure.*

179. The main decreases in Political Expenditure are the following:— *1900-1901. Political Expenditure.*

A provision of two lakhs was made in the Estimate for the purchase of Hastings House, Calcutta, which was then in contemplation. The purchase has since been completed: the payment will be made as soon as the legal formalities have been complied with: it is doubtful whether it will be made before or after April 1, but, when made, it will be charged to the head 45.—Civil Works.

The expenditure this year on the Tochi Militia will be less than the Estimate by nearly two lakhs.

The charges on the Punjab Frontier,—the Khyber, Kohat, Chitral and Gilgit,—will be less than the Estimate by over a lakh.

His Highness the Amir of Afghanistan draws his subsidy at irregular intervals, and this year it is expected that there will be on March 31 undrawn arrears of about 20 lakhs, and that the payments to him will be less than the Budget Estimate by about 15 lakhs.

180. The reduction under Scientific and Minor Departments is distributed over all the Provinces. A large part of it is due to the general cause mentioned in paragraph 177 in regard to Land Revenue Expenditure. Only two items need be mentioned; a decrease of over a lakh in Survey Expenditure and a decrease of three quarters of a lakh in the expenditure on aluminium manufactures in the Madras School of Arts, the last being more than counterbalanced by decreased receipts from the sale of the ware. *1900-1901. Expenditure on Scientific and Minor Departments.*

181. The decrease under Construction of Railways charged to Provincial and Local Revenues is due to a change in the programme for the construction of the extension of the Mayaveram-Mutupet Railway, a local charge of the Tanjore District Board. The construction is to be spread over three years instead of two, and the expenditure is consequently less than in the Budget Estimate by about 10 lakhs. *1900-1901. Construction of Railways charged to Provincial and Local Revenues.*

182. Provision to the extent of 5½ lakhs was made in the Estimate for the purchase of land for the Tilgaon-Sylhet, Akhaura-Bhairab Bazaar, the Chandipur Taki and the Bezwada-Masulipatam Branch Railways. The schemes have not yet arrived at the stage requiring the purchase of land, and nothing has been spent on them this year. The expenditure on land for other branch railways has also been less than the provision made. *1900-1901. Subsidised Railways—Land.*

183. The reduction in the Expenditure in India on Military Works represents partly a transfer of Expenditure from India to England and partly the usual lapses which always occur under this head. *1900-1901. Military Works Expenditure.*

184. There are, as usual, a large number of variations between the Budget and the Revised Estimates of Military Expenditure. But the large decrease, of a crore-and-a-quarter, is mainly due to the absence of troops in China and the prolonged absence of troops in South Africa: the saving caused by the absence of the China Contingent till the end of this year is estimated at 40 lakhs, the additional saving caused by the absence of Indian troops in Africa after September last, at 39⅓ lakhs, and the expenditure on the purchase of local stores to replace those issued to the absent contingents will be less by 21 lakhs than the credits for the issues. In addition, the cost of food supplies has been less than the Estimate by nearly 15 lakhs; and the grants under several heads have proved higher than the actual requirements by over 40 lakhs. The savings would have been much larger had it not been decided, in consideration of the savings from the absence of troops, to sanction new Military Expenditure, aggregating 64 lakhs, of which 12 lakhs will be spent in India: it was also necessary to incur expenditure exceeding 13 lakhs in chartering transports to carry troops to England. *1900-1901. Army Expenditure.*

1900-1901. Revenue in England.

185. There is an increase in the Revenue in England of £36,600 due to larger temporary investments of the cash balances and higher rates of interest which raised the Interest receipts above the Budget Estimate by £41,000.

1900-1901. Expenditure in England.

186. The expenditure in England is expected to be less than the Budget Estimate by £73,500. The Interest charges are increased by £143,000, the discount on the issue of £3,000,000 stock, and by £78,000, the increased interest payable in the year in consequence of that issue and on India Bills. Some of the India Bills were issued for six months and replaced within the year by Bills for twelve months, involving an interest charge for eighteen months; and the rates payable on the Bills were also higher than anticipated. On the other hand, the payment on account of the annuities in purchase of the Great Indian Peninsula Railway will be £53,200 less than estimated, and the Army Expenditure less by £345,700, due chiefly to the dislocation of the arrangements for the Indian Reliefs owing to the despatch of troops to South Africa, which caused reductions in the cost of the Troop Service and in the furlough allowances and pay during voyage of British Forces serving in India.

Section III.—The Budget Estimate of 1901-1902.

1901-1902. Statement of the gross figures.

187. The following is a general comparison of the Budget Estimate of 1901-1902 with that of 1900-1901:—

	1900-1901.	1901-1902.	1901-1902, better.	1901-1902, worse.
	£	£	£	£
REVENUE.				
India	69,978,300	71,795,300	1,817,000	...
England	177,500	396,600	219,100	...
TOTAL	70,155,800	72,191,900	2,036,100	...
EXPENDITURE.				
India—				
Imperial, Provincial and Local	53,297,100	53,539,700	...	242,600
Adjustment of Provincial, and Local Surplus or Deficit	—550,600	—182,600	...	368,000
NET	52,746,500	53,357,100	...	610,600
England	17,249,000	18,143,900	...	894,900
TOTAL	69,995,500	71,501,000	...	1,505,500
SURPLUS	160,300	690,900	530,600	...

1901-1902. General features.

188. Though famine expenditure unhappily will not cease next year, it is expected to amount to only about one crore of rupees, as compared with the Budget Estimate for 1900-1901 of over five crores: the Famine Insurance Grant will, however, be maintained at the fixed sum of one crore-and-a-half: so that the saving on this account affecting the surplus will amount to only 3½ crores. The Revenue next year is estimated to exceed the Budget Estimate of 1900-1901 by about two crores, the Railway earnings being taken net. On the other hand, the Expenditure Grants for next year have been largely increased. New expenditure to improve the efficiency of the Army has been sanctioned to the extent of over a crore-and-a-half: large increases of Imperial expenditure under other heads have been sanctioned; and grants-in-aid of Provincial Revenues, aggregating 164½ lakhs, have been made to Local Governments to enable them to incur expenditure from Provincial Revenues.

A surplus of a little over a crore of rupees has been retained and devoted to increasing the capital expenditure on the construction of Railways and Irrigation Works.

189. In India an increase in total Revenue of ₹2,72,54,000 or £1,817,000 and an increase in total Expenditure of ₹36,40,000 or £242,600, are estimated. The improvement of ₹2,36,14,000 or £1,574,400 is divided thus, after the transfer from Imperial to Provincial of the grants-in-aid of ₹1,64,43,000 or £1,096,200, explained in paragraph 266: in the Imperial Sections of the Accounts ₹1,80,95,000 or £1,206,400, and in the Provincial-Local Section ₹55,19,000 or £368,000. The Revenues in England are estimated to exceed the last Budget Estimate by £219,100, and the Expenditure in England to exceed by £894,900, being an increase in net Sterling Expenditure of £675,800. The net improvement in the Imperial Section is, therefore, £530,600, which raises the surplus to £690,900.

190. The only important decreases in Revenue in India :— *1901-1902. Decreases in Revenue in India.*

	₹
Mint	36,05,000
Army	20,66,000

and both of these are for the most part nominal rather than real.

191. The larger part of the decrease under Mint is due to the omission of any provision for profits on coinage next year, whereas a sum of 32 lakhs was entered in the last Budget Estimate. This omission does not mean that the Government of India expects that there will be no coinage of rupees in the coming year. On the contrary, it is certain that there will be some; but the Government is unable now to form any reliable estimate of the amount; and, as under the decision explained in paragraph 164, the item will not affect the surplus of the year, it has been thought best to make no entry either for the receipts or for the charge on the transfer of the net profits to the Gold Reserve Fund. *1901-1902. Mint Receipts.*

The issues of copper coin during the famine having been large, it is expected that there will be no net issue in the coming year This causes a decrease on the "Gain on copper coinage" of 4 lakhs, the amount taken for the head in the Budget Estimate of 1900-1901.

192. The decrease in Army Receipts is due to the absence of any provision for recoveries from His Majesty's Government of the value of horses sent to South Africa. *1901-1902. Army Receipts.*

193. The following are the more important increases of Revenue in India :— *1901-1902. Increases of Revenue in India.*

	₹
Land Revenue	13,79,000
„ due to Irrigation	6,62,000
Salt	13,92,000
Stamps	11,98,000
Excise	22,16,000
Provincial Rates	16,43,000
Customs	8,08,000
Forest	9,84,000
Interest	8,25,000
Telegraph	4,50,000
Railway Earnings—	₹
State	+2,24,48,000
Guaranteed	—30,99,000
	1,93,49,000

194. The restriction of the famine to the one Province of Bombay accounts for the increases in Land Revenue and Provincial Rates. *1901-1902. Land Revenue.*

In Bombay we have to face a further decline, and the Estimates allow for a falling-off in the collections of ₹47,00,000 under Land Revenue including that due to Irrigation.

In the North-Western Provinces and Oudh a decrease of ₹11,44,000 is expected: there were considerable arrear collections from the earlier famine to be collected this year. In Madras also a smaller diminution of ₹2,10,000 has been taken.

In all other Provinces there are substantial increases.

It may be mentioned that in Bombay, the Central Provinces and the Punjab, the Government of India substantially reduced the estimates proposed by the Local Governments. The Estimates of other Local Governments were accepted.

1901-1902. Salt Revenue.

195. The progress of the Revenue in the present year fully justifies the increase anticipated in Salt Revenue. The Estimate is for a total somewhat less than the probable collections this year.

1901-1902. Customs Revenue.

196. The same remarks apply to Customs Revenue. In this case the reduction below the probable collections of this year is substantial, as it was not considered prudent to assume that the very high level of the duties on some articles of the import tariff will be maintained next year. In particular the duties on sugar (ordinary duty and additional countervailing duty) are taken more than 15 lakhs lower than the probable collections this year.

1901-1902. Stamps and Excise Revenues.

197. Under Stamps and Excise, the Estimates assume that the improvement attained this year will be maintained next year, with a further improvement under Excise in the two Provinces—Bombay and the Central Provinces—where the receipts this year are abnormally low.

1901-1902. Forest Revenue.

198. The increase in Forest Revenue represents the usual increase under the head.

1901-1902. Interest Receipts.

199. The interest on the very large loans made to Native States this year accounts for ₹7,38,000 of the increase in Interest Receipts; and an increase in the overdrawn Capital of Railway Companies for the remainder.

1901-1902. Telegraph Receipts.

200. The increase in Telegraph Receipts represents the normal progress of the Department moderately estimated.

1901-1902. Railway Earnings.

201. The Estimate for net Railway earnings has been taken slightly above the amount of the probable earnings this year. It is assumed that the normal increase will not much more than counterbalance the absence of the specially heavy traffic connected with the famine.

1901-1902. Decreases in Expenditure in India.

202. The following are the more important decreases in Expenditure in India:—

	₹
Famine Relief	3,99,14,000
Construction of Railways charged to Provincial and Local Revenues	6,30,000
Guaranteed Railway, Surplus Profits	9,33,000

1901-1902. Famine Relief Expenditure.

203. Bombay is the only Province in which large famine expenditure is required next year. The Estimate of the Local Government is for ₹99,91,000. The Chief Commissioner of the Central Provinces thinks that some small relief will be required before the rains come next year in one pergana of the Balaghat District, and also possibly in an adjacent corner of the Seoni District, and in one or two remote localities in other parts of the Province; and one lakh has been entered for the Central Provinces.

1901-1902. Construction of Railways from Provincial and Local Revenues.

204. As explained in paragraph 181 above, the expenditure under this head is Local Expenditure for the extensions of the Mayaveram-Mutupet Railway by the Tanjore District Board. The estimated expenditure next year is ₹12,30,000, of which ₹5,88,000 will be charged to the loan which the Board has raised, and the remainder to this head against the Revenues of the Board.

1901-1902. Payment of Surplus Profits to Guaranteed Railway Companies.

205. The Great Indian Peninsula Railway having been acquired by the State, no payments of its surplus profits will be made next year; and the payments to the Bombay, Baroda and Central India Railway Company are expected to be less than in the Budget Estimate for 1900-1901.

206. The following are the more important increases in Expenditure in India :— *1901-1902. Increases in Expenditure in India.*

	₹
3.—Land Revenue	10,07,000
Post Office	6,74,000
Telegraph	6,96,000
Law and Justice, Courts	5,04,000
Police	17,56,000
Education	7,11,000
Medical	6,08,000
Political	12,21,000
Scientific and Minor Departments	13,32,000
Miscellaneous	23,67,000
Protective Irrigation Works	6,37,000
Railways, Working Expenses	1,00,02,000
„ Interest on Debt	10,77,000
„ Interest on Capital deposited by Companies	5,31,000
Irrigation, Working Expenses	5,54,000
„ Interest on Debt	3,91,000
Minor Irrigation Works	6,31,000
Military Works	16,65,000
Civil Works	79,66,000
Army	53,37,000

207. Practically every Province shows an increase in Land Revenue Expenditure. The returning prosperity of the Provincial Revenues of most Provinces and the grants-in-aid made from Imperial Revenues, enable the Local Governments to undertake new expenditure. *1901-1902. Land Revenue Expenditure.*

208. The Expenditure on the Post Office and Telegraph increases every year. The increases next year are above the normal amounts as reforms and improvements are contemplated in both Departments. *1901-1902. Post Office and Telegraph Expenditure.*

209. Improvement in the efficiency of the Police is a pressing need throughout India, and necessitates increased expenditure in every Province. But the main item of the large increase under this head occurs in Burma, ₹12,44,000. It is proposed to make a large increase to the Military Police in order to release detachments of the Army from frontier stations in Burma. *1901-1902. Police Expenditure.*

210. All Local Governments provide for increased Expenditure on Education, that being one of the objects to which it is desired to allot larger grants. *1901-1902. Education Expenditure.*

211. The largest increase in Medical Expenditure occurs in Bengal, ₹5,09,000, the cause being plague prevention: smaller increases occur in the Punjab, the North-Western Provinces and Oudh, and Burma: there are decreases in Bombay, the Central Provinces, and Madras. *1901-1902. Medical Expenditure.*

212. The cause of the increase in Political Expenditure is a provision of 15 lakhs made for arrears of His Highness the Amir of Afghanistan's subsidy. Ordinarily provision is made only for a full year's subsidy, on the assumption that the arrears at the beginning and end of the year will be about the same. But the large arrears outstanding this year rendered a departure from the ordinary rule advisable for next year's Estimate. *1901-1902. Political Expenditure.*

213. The Census causes the increase under Scientific and Minor Departments. The amount entered in the Budget Estimate of this year on this account was ₹7,32,000, and the provision for next year is ₹18,10,000, making a total of ₹25,42,000. Other increases have also been allowed under this head by the Government of India and Local Governments. *1901-1902. Expenditure on Scientific and Minor Departments.*

214. The increase in Miscellaneous Expenditure is mainly due to the remission of the recovery of the famine loans mentioned in paragraph 172 above: the Bombay Government provides ₹13,75,000, and the Chief Commissioner, Central Provinces, ₹6,00,000 on this account. *1901-1902. Miscellaneous Expenditure.*

Fuller provision has also been made for remittance charges.

1901-1902. Expenditure on Protective Irrigation Works.

215. Every effort is being made to push on the construction of Irrigation Works which promise to afford protection against famine, and the Estimates provide for expenditure on all the schemes which are likely to be ready for the commencement of work next year.

1901-1902. Railway Working Expenses.

216. The increase in the Working Expenses of Railways is required to earn the increased Revenue.

1901-1902. Irrigation Expenditure.

217. The increase in the Working Expenses of Irrigation Works is necessary to maintain and work the new canals on which Capital Expenditure is being incurred.

1901-1902. Railway and Irrigation Interest Charges.

218. The increase in the Railway and Irrigation interest charges is the interest on the new Capital Expenditure.

1901-1902. Expenditure, Minor Irrigation Works.

219. The importance of Minor Irrigation Works as a subsidiary preventive of famine, is recognised by increased expenditure both from Imperial and Provincial Funds.

1901-1902. Civil Works Expenditure.

220. The restriction of expenditure in recent years has been specially felt in the case of Public Works; and the position now admits of largely increased expenditure both by the Imperial and Provincial Governments to provide some of the new buildings and communications which are everywhere required. Of the total increase of ₹79,66,000, the sum of ₹26,65,000 is in the Imperial Section, ₹47,50,000 in the Provincial Section, and ₹5,51,000 in the Local Section. Of the Provincial increase a portion may be diverted to other heads by Local Governments. When the grants-in-aid of 164½ lakhs, mentioned in paragraph 188, were made, additions, aggregating ₹25,63,000, being the amount available after raising the closing Provincial balances of the year to the prescribed minimum for each Province, were made by the Government of India to the Provincial grants for 45.—Civil Works, the Local Governments being at liberty either to spend the additions on Public Works or to reappropriate them for other expenditure.

1901-1902. Army Expenditure.

221. The Budget Estimate of this year provided for savings of ₹38,50,000 in consequence of the absence of troops in South Africa: the troops are still absent in Africa and other troops have been sent to China: it is probable that they will be absent for a part of next year; but it was not considered sufficiently certain that they will be absent for any prolonged period to justify the Government in taking credit for the savings in the Estimate. The Estimate of this year also provided for savings in consequence of the absence of three Native Regiments in Ceylon, Singapore, and Mauritius. As new regiments have been raised to replace these as well as two other new regiments required for service outside India, making five in all, there is no similar saving in next year's Estimate. This causes an increase of ₹8,85,000. On the other hand, the fall in prices admits of a decrease of 40 lakhs in the grant for the cost of food supplies, and the absence of special provision to replace horses sent to South Africa reduces the estimate for the purchase of remounts by ₹29,37,000. The net result of these figures is a decrease in the Army Expenditure from accidental causes of ₹22,02,000.

The addition of that sum to the increase of ₹53,37,000, shown in paragraph 206, gives a total increase of ₹75,39,000 to be explained. This is mainly the portion incurred in India of the new Expenditure for increasing the efficiency of the Army, aggregating about 160 lakhs, which the Government of India, with the approval of the Secretary of State, has recently sanctioned. The remainder appears on the Home Estimates under Army £520,800, see paragraph 223 below, and in the Military Works Grant ₹17,75,000.

1901-1902. Revenue in England.

222. The Estimate of Sterling Revenue exceeds the Budget Estimate for the current year by £219,100. This is caused by the contributions to be paid by His Majesty's Imperial Government in consequence of the recommendations of the Royal Commission on Indian Expenditure, namely, £130,000 towards the cost of the transport of Troops, and £100,000 towards the Military charges for Aden. On the Expenditure side payments to His Majesty's Imperial Government, amounting to about £27,500, are to be withheld, raising the total relief to Indian Revenues, as a result of the Commission, to £257,500.

223. There is an increase in Sterling Expenditure of £894,900. *1901-1902. Expenditure in England.*

The permanent loans of this year and next and a rise in the rate of interest for temporary loans increase the interest charges by £136,900. There is a net increase in the interest and annuity payments connected with the Great Indian Peninsula Railway of £163,900, caused by the purchase of the Railway. Further receipts of capital cause a further increase in the interest payments on Railway Capital. The Army Expenditure shows an increase of £520,800, mostly under Ordnance Stores.

Section IV.—Statements comparing the figures of the Estimates under the more important heads of Revenue and Expenditure with those of past years.

LAND REVENUE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE (including that due to Irrigation)—	₹	₹	₹	₹	₹	₹
India General .	14,86,540	14,89,725	11,23,642	12,39,000	12,23,000	16,59,000
Central Provinces .	66,77,540	87,39,102	57,60,049	60,00,000	47,25,000	80,67,000
Burma . .	2,64,62,700	2,80,72,302	2,97,60,093	2,96,55,000	3,16,10,000	3,19,10,000
Assam . .	59,61,230	62,84,108	62,80,533	63,49,000	62,00,000	64,75,000
Bengal . .	3,97,82,190	4,04,47,854	4,12,01,234	4,09,00,000	4,12,00,000	4,12,86,000
North-Western Provinces and Oudh	5,71,96,780	6,75,46,330	6,58,10,585	6,55,88,000	6,54,82,000	6,44,67,000
Punjab . .	2,51,08,920	2,63,20,213	2,28,53,763	2,51,96,000	2,42,00,000	2,80,10,000
Madras . .	5,61,28,780	5,75,23,953	5,47,47,204	5,91,20,000	5,86,64,000	5,89,14,000
Bombay . .	4,76,79,120	4,82,57,124	4,05,91,344	4,78,04,000	4,30,92,000	4,31,04,000
TOTAL .	26,64,83,800	28,46,80,711	26,81,28,447	28,18,51,000	27,63,96,000	28,38,92,000
Shown under XXIX.—Irrigation . .	96,47,380	1,00,87,584	1,00,52,606	1,06,71,000	1,09,59,000	1,13,33,000
Shown under I.—Land Revenue .	25,68,36,420	27,45,93,127	25,80,75,841	27,11,80,000	26,54,37,000	27,25,59,000
EXPENDITURE—						
India—						
District Administration . .	1,94,40,420	1,87,44,040	1,92,02,199	1,96,97,000	1,95,66,000	1,99,42,000
Other Charges .	2,24,21,510	2,17,82,698	2,20,19,206	2,34,02,000	2,28,92,000	2,41,64,000
TOTAL .	4,18,61,930	4,05,26,738	4,12,21,405	4,30,99,000	4,24,58,000	4,41,06,000
England—	£	£	£	£	£	£
Other Charges .	901	1,255	645	600	400	600

224. The effect of the famines are apparent in these figures. It will be observed that the total Revenue is taken for next year at an amount slightly below the Revenue realised in 1898-99. It was considered prudent to frame the total estimate cautiously in view of the expediency of leniency in Provinces just recovering from famine.

OPIUM.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901. Budget.	1900-1901. Revised.	1901-1902, Budget.
INDIA.						
Revenue—	₹	₹	₹	₹	₹	₹
Bengal—Sale of Opium . .	3,99,10,480	4,16,38,180	5,09,14,354	5,32,80,000	6,16,39,000	5,28,00,000
Bombay—Pass Fees .	96,69,850	1,32,89,500	1,27,46,250	1,27,54,000	1,29,56,000	1,30,00,000
Excise Opium and other Revenue .	22,17,390	23,25,620	23,69,127	23,63,000	23,84,000	23,40,000
TOTAL .	5,17,97,720	5,72,53,300	6,60,29,731	6,83,97,000	7,69,79,000	6,81,40,000
Expenditure—						
Payments to Cultivators, including purchase of Opium	2,15,72,470	2,14,33,650	2,35,16,902	2,40,00,000	2,45,00,000	2,40,00,000
Other Charges . .	22,89,740	22,76,040	23,60,322	25,38,000	23,38,000	25,38,000
TOTAL .	2,38,62,210	2,37,09,690	2,58,77,224	2,65,38,000	2,68,38,000	2,65,38,000
ENGLAND.	£	£	£	£	£	£
Other Charges .	1,853	1,545	2,006	1,600	2,100	2,600
Statistics—						
Bengal—						
Chests sold . .	39,000	39,450	41,700	44,400	45,300	48,000
. Average Price .	₹1,023	₹1,055	₹1,221	₹1,200	₹1,361	₹1,100
Chests produced .	45,500	44,075	51,719	...	52,443	...
Chests in Balance, March 31 .	36,080	40,696	50,715	...	57,858	...
Reserve, December 31 . . .	330	6,830	10,096	17,415	17,406	21,849
Bombay—						
Chests passed for export . .	17,432½	24,000	25,492½	25,508	25,912	26,000
Rate of duty .	₹600 & 500	₹500	₹500	₹500	₹500	₹500

225. As stated in paragraph 156, the prices realised at the sales of Bengal Opium in the present year have been high. The fluctuations in these prices being large from year to year and the state of affairs in China at present being such as to add a special element of uncertainty to this always uncertain head of Revenue, the Budget Estimate does not assume a continuance of these specially high prices, but takes the average price for next year at the moderate amount of ₹1,100 a chest. The price assumed in the Budget Estimate of this year was ₹1,200. The difference of ₹100 causes a decrease in the Estimate of next year as compared with that of this year of ₹44,40,000, most of which is counterbalanced by an increase in the quantity to be sold. The quantity of Bengal Opium taken as to be sold next year exceeds that taken in the Budget Estimate of this year by 3,600 chests yielding an increase, at the assumed price of ₹1,100 a chest, of ₹39,60,000. The monthly quantity to be sold up to December next has been finally fixed: the quantity to be sold in the remaining three months of the financial year will be fixed in June when the outturn of the poppy crop is known: for Budget purposes it is assumed that the present monthly quantity will continue till the end of the year.

The outturn of the crop in the current year was above the average, and the payments to the cultivators consequently exceeded the Budget Estimate by five lakhs. Next year provision is, as usual, made for an average crop.

The exports of Malwa Opium from Bombay in the current year are expected slightly to exceed those of the year 1899-1900 on which the Budget Estimate was based; and a continuance of this small improvement is assumed in the Estimate for next year.

SALT.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE.	₹	₹	₹	₹	₹	₹
Northern India (*a*) .	1,94,78,100	2,04,07,302	1,94,65,699	1,95,58,000	1,99,50,000	1,97,32,000
Burma (*b*) . . .	15,67,440	15,81,548	15,36,685	15,87,000	13,60,000	14,50,000
Bengal (*b*) . . .	2,46,33,150	2,51,23,488	2,57,94,382	2,53,23,000	2,57,00,000	2,57,00,000
Madras (*a*) . .	1,72,69,610	1,99,84,130	1,85,50,392	1,85,88,000	1,89,06,000	1,90,86,000
Bombay (*a*) . .	2,29,93,950	2,39,02,245	2,24,09,786	2,26,20,000	2,33,50,000	2,31,00,000
TOTAL .	8,59,42,250	9,09,98,713	8,77,56,944	8,76,76,000	8,92,66,000	8,90,68,000
CHARGES.	₹	₹	₹	₹	₹	₹
India . . .	47,30,150	46,53,139	49,66,747	52,96,000	50,64,000	54,14,000
	£	£	£	£	£	£
England . . .	468	258	640	200	500	700

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

226. As explained in paragraph 157, the Salt Revenue has improved considerably this year in spite of the famine, and there is every reason to expect that the greater part of the improvement will be maintained next year. The estimate for next year is a moderate estimate of what is now the normal Revenue from Salt.

The increase in expenditure occurs in Madras, where the Local Government is largely increasing its purchases in pursuance of the policy adopted in its Salt Administration. Those purchases will yield a return in future years.

STAMPS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE.	₹	₹	₹	₹	₹	₹
Court Fees and Plain Paper . . .	3,30,53,760	3,34,43,390	3,40,81,047	3,41,63,000	3,44,44,000	3,45,46,000
Commercial and other Stamps . . .	1,45,60,340	1,36,26,220	1,39,08,324	1,39,95,000	1,48,16,000	1,47,68,000
Other Revenue . .	7,56,330	9,06,890	9,92,780	8,53,000	8,96,000	8,95,000
TOTAL .	4,83,70,430	4,79,76,500	4,89,82,151	4,90,11,000	5,01,56,000	5,02,09,000
CHARGES.	₹	₹	₹	₹	₹	₹
India . . .	9,79,980	9,47,390	9,50,619	10,13,000	10,88,000	11,09,000
	£	£	£	£	£	£
England (Stores) .	35,844	35,296	37,914	25,300	30,000	32,100

227. This head of Revenue has regained its normal position of improvement, and yields a considerable increase this year, which, it is estimated, will be maintained in the coming year.

EXCISE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE.	₹	₹	₹	₹	₹	₹
Bengal . . .	1,27,47,750	1,34,27,050	1,39,65,275	1,40,00,000	1,47,00,000	1,47,00,000
North-Western Provinces . . .	45,14,960	56,84,850	63,69,842	63,50,000	69,00,000	67,50,000
Madras . . .	1,46,19,450	1,30,77,420	1,34,13,799	1,29,36,000	1,37,00,000	1,37,00,000
Bombay . . .	1,09,49,960	1,14,39,070	1,06,38,737	1,07,85,000	1,02,00,000	1,03,00,000
Other Provinces . .	1,20,62,420	1,32,05,830	1,35,11,472	1,32,19,000	1,38,55,000	1,40,56,000
TOTAL .	5,48,94,540	5,74,34,220	5,78,99,125	5,72,90,000	5,93,55,000	5,95,06,000
CHARGES.	₹	₹	₹	₹	₹	₹
India . . .	24,02,710	24,30,140	24,22,627	26,23,000	24,52,000	26,31,000
	£	£	£	£	£	£
England . . .	123	...	...	...	100	...

228. The decline in Excise Revenue anticipated in the Budget Estimate of this year in consequence of the famine has occurred in Bombay to more than the extent taken, and in the Central Provinces to nearly the extent taken. But there have been much larger increases in other Provinces. For next year it is estimated that the level of this year will be maintained in other Provinces, and that in Bombay and the Central Provinces there will be some recovery, there being signs of improvement in the later months of the present year in both these Provinces.

PROVINCIAL RATES.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
REVENUE.	₹	₹	₹	₹	₹	₹
District Local Funds .	2,26,97,310	2,38,92,880	2,26,73,416	2,36,80,000	2,31,69,000	2,43,78,000
Provincial Cesses, including Famine Insurance . . .	64,17,310	66,84,340	66,14,490	66,45,000	66,54,000	70,14,000
Village Service and Patwaris . . .	67,83,990	72,06,980	67,96,679	73,61,000	71,07,000	78,52,000
Other Cesses . .	13,34,290	14,37,230	13,97,166	15,10,000	14,97,000	15,95,000
TOTAL .	3,72,32,900	3,92,21,430	3,74,81,751	3,91,96,000	3,84,27,000	4,08,39,000
Charges . . .	5,25,300	5,57,370	5,31,917	6,66,000	5,17,000	7,56,000

229. All Local Governments, except Bombay, expect increases of Revenue under this head next year.

CUSTOMS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
IMPORT DUTIES—	₹	₹	₹	₹	₹	₹
Arms, Ammunition, and Military Stores	3,57,280	3,47,390	3,08,447	3,28,000	2,91,000	2,93,000
Liquors—Spirits	60,60,880	63,66,060	64,91,422	71,45,000	70,37,000	70,61,000
Other sorts	5,52,240	5,86,610	5,63,822			
Articles of Food and Drink	38,70,630	35,36,810	32,08,450	32,26,000	44,31,000	35,81,000
Countervailing Sugar duties	...	...	8,51,750	7,66,000	19,08,000	12,08,000
Chemicals, Drugs, Medicines, etc.	10,69,330	10,77,070	10,01,257	11,14,000	9,93,000	10,60,000
Silver Bullion and Coin	43,38,990	28,67,800	24,32,265	20,63,000	14,54,000	15,00,000
Other Metals and Manufactures of Metals	22,24,240	19,85,530	17,09,047	19,98,000	20,94,000	21,35,000
Oils	55,60,150	48,59,460	44,45,273	45,66,000	49,85,000	47,53,000
Manufactured Articles	43,65,910	49,87,900	52,35,342	52,33,000	56,15,000	52,61,000
Raw Materials and Unmanufactured Articles	9,94,800	8,46,550	6,51,671	8,68,000	11,82,000	11,15,000
Cotton Goods	79,57,200	84,63,910	92,40,837	91,05,000	89,75,000	87,74,000
TOTAL IMPORT DUTIES	3,73,51,650	3,59,25,090	3,61,39,583	3,64,12,000	3,89,65,000	3,67,41,000
Excise Duty on Cotton Goods	11,61,880	13,72,910	13,36,623	11,44,000	10,88,000	12,56,000
EXPORT DUTIES—						
Chiefly Rice	72,48,190	1,01,12,130	87,63,905	87,25,000	90,09,000	90,08,000
LAND CUSTOMS AND MISCELLANEOUS	6,51,230	6,11,490	7,66,751	7,32,000	8,00,000	8,16,000
GRAND TOTAL	4,64,12,950	4,80,21,620	4,70,06,862	4,70,13,000	4,98,62,000	4,78,21,000
Charges	21,13,790	21,48,440	23,06,176	23,53,000	24,32,000	24,65,000

230. The above table shows a most satisfactory increase in the Customs Revenue. The most striking feature is the very large increase this year in the duties on sugar. The additional countervailing duties yield 11½ lakhs more than the Budget Estimate and 10½ lakhs more than the actuals of 1899-1900. The ordinary five per cent duty on sugar appears under the head "Articles of Food and Drink" in which the increase is over 12 lakhs, nearly all of it being in the duty on sugar. The imports of sugar having been so abnormally large this year, it is not considered prudent to assume that these very large receipts will continue next year: the amount for the countervailing duty is, therefore, taken in the Budget Estimate of next year 7 lakhs lower than the Revised Estimate of this year, and that for "Articles of Food and Drink" 8½ lakhs less.

The duties on silver have declined considerably: we have not assumed any substantial recovery next year.

The duties on Oils, Manufactured Articles, and Raw Materials all show substantial increases, which we estimate to retain only partially next year.

The Export duties on rice show an increase of nearly 3 lakhs, which we estimate to retain next year, with the great restriction in the famine-stricken area.

On the other hand, there are declines, not serious, in the duties on Arms, Liquors, Chemicals, and Cotton Goods.

ASSESSED TAXES.

	Accounts, 1897-98.	Accounts. 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
Deduction by Government from Salaries, Pensions, and Interest payments. . .	44,44,940	43,62,540	43,84,515	43,70,000	44,87,000	44,66,000
Other Collections. .	1,45,09,710	1,48,59,370	1,51,19,901	1,52,07,000	1,51,33,000	1,50,93,000
TOTAL .	1,89,54,650	1,92,21,910	1,95,04,416	1,95,77,000	1,96,20,000	1,95,59,000
Charges . . .	3,22,780	3,28,120	3,32,364	3,44,000	3,36,000	3,64,000

231. The decrease of the Estimate for next year below the Revised Estimate for this year is due to the purchase by the Government of the Great Indian Peninsula Railway: the income-tax on the surplus profits of that Railway Company now disappears.

FOREST.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
India—	₹	₹	₹	₹	₹	₹
Revenue . .	1,73,95,140	1,85,98,680	1,85,31,380	1,78,33,000	1,91,95,000	1,88,17,000
Expenditure . .	99,51,680	97,95,850	1,07,90,296	1,11,43,000	1,11,20,000	1,13,87,000
NET .	74,43,460	88,02,830	77,41,084	66,90,000	80,75,000	74,30,000
	£	£	£	£	£	£
Equivalent in Sterling . . .	496,231	586,855	516,072	445,900	538,300	495,300
Expenditure in England . . .	4,172	7,421	10,822	9,000	1,900	1,200
NET REVENUE	492,059	579,434	505,250	436,900	536,400	494,100

232. The net Revenue from Forests is recovering, though it is still a good deal below the amount obtained in 1898-99.

INTEREST RECEIPTS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
India	84,06,810	1,01,46,264	83,47,226	92,60,000	89,31,000	1,00,85,000
	£	£	£	£	£	£
England . . .	20,190	29,867	49,334	10,000	51,000	10,000

INTEREST EXPENDITURE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901. Budget.	1900-1901. Revised.	1901-1902, Budget.
Interest on Debt—	₹	₹	₹	₹	₹	₹
India . . .	3,81,97,240	3,90,61,132	3,90,27,597	4,11,00,000	4,08,50,000	4,25,30,000
Deduct charged to—						
Irrigation .	*1,28,42,490*	*1,31,26,938*	*1,34,51,236*	*1,38,49,000*	*1,38,27,000*	*1,42,40,000*
Railways .	*4,07,90,090*	*4,29,27,622*	*4,50,90,125*	*4,64,37,000*	*4,65,82,000*	*4,77,36,000*
Balance charged to Interest . .	—1,54,35,340	—1,69,93,428	—1,95,13,764	—1,91,86,000	—1,95,59,000	—1,94,46,000
	£	£	£	£	£	£
Equivalent in sterling	—1,029,023	—1,132,895	—1,300,918	—1,279,100	—1,303,900	—1,296,400
England . . .	2,879,215	2,805,866	2,894,271	2,881,600	3,102,600	3,019,100
TOTAL .	1,850,192	1,672,971	1,593,353	1,602,500	1,798,700	1,722,700
Interest on other Obligations—	£	£	£	£	£	£
On Savings Bank Balances converted at ₹15 = £1 .	218,029	215,282	223,203	234,500	232,000	243,100
Other items . .	125,459	129,295	131,542	124,800	131,900	133,600
TOTAL .	2,193,680	2,017,548	1,948,098	1,961,800	2,162,600	2,099,400
Debt outstanding, March 31—	£	£	£	£	£	£
Sterling . . .	123,274,680	124,268,605	124,144,401	130,689,705	133,566,801	134,566,801
Rupee Debt—	₹	₹	₹	₹	₹	₹
4 per cent . .	5,19,62,040	5,07,61,960	4,95,61,850	4,80,61,960	4,83,61,850	4,71,61,850
3½ per cent . .	93,93,70,300	95,14,12,400	95,15,04,900	98,10,78,400	98,15,04,900	1,00,15,04,900
3 per cent . .	10,97,23,500	11,07,05,100	11,07,05,700	11,07,05,100	11,07,05,700	11,07,05,700
Other Debt . .	1,59,00,500	1,36,67,520	1,29,74,560	1,33,51,520	1,27,24,560	1,25,24,560
Savings Bank Balances	10,55,67,340	10,79,12,020	11,14,00,631	11,35,40,020	11,63,66,631	12,31,45,631

233. The explanations required regarding the Interest figures are given in paragraphs 185, 186, 199, and 218. The Revised Estimate for this year anticipates a net receipt of Savings Banks Deposits, apart from interest, of 9½ lakhs instead of the net withdrawal of 20 lakhs taken in the Budget Estimate. And the Estimate for next year takes credit for a net receipt of 20 lakhs.

POST OFFICE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
India—	₹	₹	₹	₹	₹	₹
Revenue . .	1,87,91,630	1,91,40,671	1,96,24,722	1,98,08,000	2,03,04,000	2,00,74,000
Expenditure . .	1,56,19,620	1,55,86,694	1,63,13,233	1,72,04,000	1,69,81,000	1,78,78,000
NET REVENUE IN INDIA . . .	31,72,010	35,53,977	33,11,489	26,04,000	33,23,000	21,96,000
	£	£	£	£	£	£
Equivalent in sterling . . .	211,467	236,932	221,433	173,500	221,500	146,300
Net expenditure in England . .	107,165	111,013	95,365	100,700	97,400	98,000
TOTAL NET REVENUE	+104,302	+125,919	+126,068	+72,800	+124,100	+48,300

234. The decrease in the Estimate of Revenue for next year is due to intended reductions in the rates for parcels, inland and foreign, expected to involve for the first year a loss of revenue of about six lakhs of rupees. The normal increase partly counterbalances this reduction.

TELEGRAPH.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
India—						
Revenue Accounts—	₹	₹	₹	₹	₹	₹
Revenue . .	1,30,28,230	1,06,96,792	1,23,93,431	1,20,00,000	1,32,00,000	1,24,50,000
Expenditure .	68,63,160	70,08,805	73,88,866	75,41,000	78,40,000	81,37,000
NET .	61,65,070	36,87,987	50,04,565	44,59,000	53,60,000	43,13,000
	£	£	£	£	£	£
Equivalent in sterling . .	411,005	245,865	333,638	297,300	357,300	287,600
Net expenditure in England .	81,093	62,492	71,142	73,800	59,100	63,900
	+329,912	+183,373	+262,496	+223,500	+298,200	+223,700
Capital Expenditure—						
India (converted at ₹15 = £1) .	54,437	54,828	61,479	64,200	38,600	70,900
England . .	96,127	92,430	95,126	166,600	177,500	192,000
	150,564	147,258	156,605	230,800	216,100	262,900
TOTAL NET REVENUE	179,348	36,115	105,891	—7,300	82,100	—39,200

235. The increase in Revenue having been abnormally large this year, and being due to special causes, the estimate for next year, though in excess of the Budget Estimate of this year, is $7\frac{1}{2}$ lakhs less than the Revised Estimate. Increased expenditure is necessary to enable the Department to cope with the increasing traffic.

MINT.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
India—	₹	₹	₹	₹	₹	₹
Revenue . .	18,20,440	7,79,115	51,76,185	40,92,000	4,61,77,000	4,87,000
Expenditure . .	8,02,730	10,80,762	7,98,216	7,35,000	4,50,90,000	7,74,000
NET REVENUE .	10,17,710	—3,01,647	43,77,969	33,57,000	10,87,000	2,87,000
Equivalent in sterling . .	£ 67,847	£ —20,110	£ 291,865	£ 223,800	£ 72,500	£ —19,100
Net expenditure in England . .	5,293	3,603	2,682	2,900	10,600	16,900
TOTAL NET REVENUE	62,554	—23,713	289,183	220,900	61,900	—36,000

236. The very important changes affecting this head have been fully explained in paragraph 164.

CIVIL DEPARTMENTS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
INDIA.	₹	₹	₹	₹	₹	₹
General Administration	1,58,80,160	1,58,14,295	1,59,60,801	1,59,42,000	1,62,19,000	1,61,84,000
Law and Justice. Courts .	3,13,24,810	3,07,27,343	3,12,13,533	3,18,53,000	3,18,87,000	3,23,57,000
Law and Justice. Jails .	1,11,87,030	1,02,88,204	1,02,60,188	1,10,13,000	1,19,19,000	1,11,47,000
Police . . .	4,23,28,550	4,17,95,480	4,27,62,727	4,39,63,000	4,36,82,000	4,57,19,000
Marine . . .	34,47,620	33,60,546	30,88,823	36,29,000	35,58,000	37,55,000
Education . . .	1,57,86,630	1,59,56,775	1,62,64,003	1,68,77,000	1,63,48,000	1,75,88,000
Ecclesiastical . .	17,35,790	16,97,403	17,07,796	18,20,000	17,18,000	18,43,000
Medical . . .	1,32,89,520	1,60,12,347	1,39,93,722	1,41,53,000	1,40,90,000	1,47,61,000
Political . . .	89,57,600	86,60,466	1,04,68,139	1,03,88,000	84,06,000	1,16,09,000
Scientific and Minor Departments . .	49,47,060	52,23,538	52,83,680	68,19,000	61,90,000	81,51,000
TOTAL INDIA .	14,88,84,770	14,95,36,397	15,10,03,412	15,64,57,000	15,40,17,000	16,31,14,000
ENGLAND.	£	£	£	£	£	£
General Administration	257,745	252,496	320,023	254,200	255,400	252,400
Marine . . .	213,853	204,787	327,970	341,100	364,600	288,600
Other heads . .	72,871	60,461	67,701	63,700	77,800	43,600
TOTAL ENGLAND .	544,469	517,744	715,694	659,000	697,800	584,600

237. The only variation in these figures requiring notice which has not been explained in earlier paragraphs is the reduction in the Marine Expenditure in England. This is due to the completion of the construction of the R. I. M. vessel *Hardinge*, on account of which heavy payments have been made in the last two years.

MISCELLANEOUS CIVIL CHARGES.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
INDIA.	₹	₹	₹	₹	₹	₹
Territorial and Political Pensions	42,78,710	41,36,446	39,83,365	40,41,000	39,21,000	39,45,000
Civil Furlough and Absentee Allowances	7,630	15,949	9,660	9,000	8,000	9,000
Superannuation Allowances and Pensions	1,04,85,9[illegible]0	1,06,59,923	1,10,86,006	1,12,52,000	1,13,85,000	1,16,46,000
Stationery and Printing	63,89,8[illegible]	64,19,119	67,92,810	67,40,000	68,60,000	69,76,000
Exchange	...	...	12,14,240	...	49,000	...
Miscellaneous	19,28,780	21,40,491	23,67,536	21,30,000	29,61,000	44,97,000
TOTAL INDIA	2,30,90,900	2,33,71,928	2,54,53,617	2,41,72,000	2,51,84,000	2,70,73,000
ENGLAND.	£	£	£	£	£	£
Civil Furlough and *Absentee* Allowances	187,640	259,009	282,881	247,500	252,500	252,500
Superannuation Allowances and Pensions	1,901,744	1,942,917	1,965,402	1,987,500	1,962,200	1,983,000
Other Heads	90,702	84,309	107,341	87,600	115,000	92,100
TOTAL ENGLAND	2,180,086	2,286,235	2,355,624	2,322,600	2,329,700	2,327,600

238. Political pensions are decreasing slowly: Superannuation Allowances and Pensions are increasing steadily with additions to the pension list: Stationery and Printing Charges must increase with the growing needs of the administration of the country. The large increases in Miscellaneous Expenditure have been explained in paragraphs 172 and 214. As regards Exchange, it may be explained that the entries under the head XXIV.—Exchange or 31.—Exchange represent (1) the difference between the net Sterling Expenditure at 1*s.* 4*d.* the rupee and the actual average rate of the year, and (2) the difference between the amounts of remittances between England and India at the rate of 1*s.* 4*d.* the rupee and the rate at which the sums are brought to account under various contracts with Railway Companies and others. In the Revised Estimate of this year the transactions result in a small entry on the Expenditure side: next year they result in a larger entry on the Revenue side.

FAMINE RELIEF AND INSURANCE.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
Famine Relief	5,32,56,080	4,00,541	3,11,23,771	5,00,25,000	6,33,76,000	1,01,11,000
Construction of Protective Railways	...	69,03,526	...	...	...	...
Construction of Protective Irrigation Works	3,75,170	1,16,695	3,58,946	5,00,000	2,99,000	11,37,000
Reduction or Avoidance of Debt	...	44,52,378	...	...	...	37,52,000
TOTAL	5,36,31,250	1,18,73,140	3,14,82,717	5,05,25,000	6,36,75,000	1,50,00,000
Net charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account	35,29,480	31,26,860	4,43,987	20,56,000	...	...
TOTAL EXPENDITURE CHARGEABLE TO THE FAMINE GRANT	5,71,60,730	1,50,00,000	3,19,26,704	5,25,81,000	6,36,75,000	1,50,00,000

239. The direct expenditure on Famine Relief is distributed among the Provinces thus :—

	Actuals, 1899-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	₹	₹	₹	₹
India, chiefly Ajmer .	15,09,965	17,54,000	21,12,000	20,000
Central Provinces .	1,54,49,192	1,80,00,000	2,86,32,000	1,00,000
Bengal . . .	13,724	4,68,000	3,02,000	...
North-Western Provinces and Oudh .	69,657	2,00,000	41,000	...
Punjab . . .	23,51,647	37,26,000	24,39,000	...
Madras . . .	32,764	10,25,000	2,01,000	...
Bombay . . .	1,16,41,072	2,48,52,000	2,95,31,000	99,91,000
England converted into Rupees at ₹15 = £1	55,750	...	1,18,000	...
TOTAL .	3,11,23,771	5,00,25,000	6,33,76,000	1,01,11,000

240. The following table gives an estimate of the indirect expenditure and loss of revenue :—

	1899-1900, Accounts.	1900-1901, Revised.	1901-1902, Budget.
	₹	₹	₹
Loss of Revenue—			
Land Revenue . . .	1,90,85,000	1,30,27,000	41,50,000
Provincial Rates . . .	17,28,000	16,89,000	1,35,000
Other Heads . . .	47,02,000	27,22,000	8,70,000
	2,55,15,000	1,74,38,000	51,55,000
Deduct—Net Gain of—			
Railway Revenue .	*79,82,000*	*40,00,000*	...
Irrigation . . .	*11,14,000*	...	...
	1,64,19,000	1,34,38,000	51,55,000
Increase of Expenditure—			
Compensation for dearness of provisions and other charges	40,88,000	66,03,000	3,58,000
Total estimated cost of famine in addition to the charge under 33.—Famine Relief .	2,05,07,000	2,00,41,000	55,13,000

241. The Budget allotments for increased agricultural advances connected with the famine were about 20 lakhs this year: additional allotments, aggregating 122 lakhs, were sanctioned during the year. The increase on this account in the Estimate of next year amounts to about 30 lakhs, chiefly in Bombay.

242. The loans to Native States to help them in dealing with famine relief in their territories have far exceeded the provision of 75 lakhs mentioned in paragraph 135 of Part II of the last Financial Statement. The loans actually sanctioned during the year amount to the large total of over four crores of rupees. This includes the large loan of two crores to the Hyderabad State, about a crore advanced to the Berar Administration, 68 lakhs to Bombay States, and 38 lakhs to Rajputana States.

RAILWAY REVENUE ACCOUNT.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901. Budget.	1900-1901. Revised.	1901-1902, Budget.
STATE RAILWAYS—	₹	₹	₹	₹	₹	₹
Gross Receipts .	19,04,45,247	19,61,39,693	21,97,98,346	23,86,86,000	25,30,18,000	26,11,34,000
Working Expenses .	9,20,12,021	9,98,52,913	10,72,17,062	11,98,28,000	12,59,19,000	12,98,30,000
	£	£	£	£	£	£
Net Revenue equivalent at ₹15 = £1 .	6,562,215	6,419,119	7,505,419	7,923,900	8,473,300	8,753,600
Interest and other Charges—						
India converted at ₹15 = £1 .	2,730,395	2,872,834	3,016,834	3,108,400	3,114,600	3,230,400
England . .	3,687,127	3,711,690	3,741,444	4,599,600	4,556,600	5,443,200
Net Result . .	144,693	—165,405	747,141	215,900	802,100	80,000
GUARANTEED RAILWAYS—						
Net Traffic Receipts converted at ₹15 = £1 . . .	1,467,595	2,055,115	1,907,215	1,191,600	1,202,400	985,000
Surplus Profits, Interest and other Charges—						
India converted at ₹15 = £1 .	90,075	270,962	351,959	200,900	210,000	131,700
England . .	2,154,784	2,162,525	2,172,336	1,590,300	1,589,500	1,015,100
Net Result . .	—777,264	—378,372	—617,080	—599,600	—597,100	—161,800
Other Receipts .	9,926	29,439	27,407	27,500	25,900	33,700
Other Charges .	86,659	105,827	80,712	129,200	74,700	116,700
STATISTICS—						
State Railways—						
Capital Expenditure to March 31—						
Expenditure by Government .	98,257,493	101,571,314	104,019,530	110,910,114	111,209,630	113,272,230
Expenditure by Companies .	29,611,183	31,503,812	33,291,657	35,385,951	35,280,057	37,371,357
Outlay on the East Indian Railway from Debentures raised by the Company . .	1,550,000	1,550,000	2,557,917	4,158,000	4,333,817	5,583,817
Outlay on the South Indian Railway by the Company	...	...	...	50,000	250,000	975,000
Outlay on the Great Indian Peninsula Railway by the Company . .	...	...	...	...	...	300,000
TOTAL .	129,418,676	134,625,126	139,869,104	150,504,065	151,023,504	157,502,404
Miles open on April 1 . .	15,378	15,582	16,643	17,136	17,136	19,305
Guaranteed Railways—						
Miles open on April 1 . .	2,588	2,588	2,588	2,627	2,612*	1,305

* Includes the mileage of the Great Indian Peninsula Railway as it was a Guaranteed Railway for the first three months of the year.

243. The Revised Estimate of net receipts on State Railways in 1900-1901 is higher than the Budget Estimate by ₹82,41,000 or £549,400. The improvement is a very general one though it is most marked in the case of the East Indian, Rajputana-Malwa, Indian Midland and Great Indian Peninsula Railways. It is due to a general development of traffic, to increased open mileage, and to heavy traffic in food stuffs consequent on famine.

244. The net receipts from State Railways in 1901-1902 are estimated at ₹42,05,000 or £280,300 more than the Revised Estimate for 1900-1901. This increase is due to the inclusion, under this head, of the transactions of the Great Indian Peninsula Railway for the whole year, whereas this year it was a State Railway for nine months only: to large additions to the open mileage: to the consequent development of traffic; and to an expected return to normal conditions on the North-Western Railway, the only Railway on which there was an important decline in earnings this year. The increase in working expenses is due to increased traffic which causes in the other side the increase in earnings and to provision having been made for heavier repairs and renewal of rolling stock. The increase in interest and other charges in India is due to the progress of Capital outlay, and in England chiefly to provision having been made for a full year's interest and annuity payments in respect of the Great Indian Peninsula Railway as against only a half-year's payments provided for in the Revised Estimate.

245. The Revised Estimate of net receipts from Guaranteed Railways is ₹1,62,000 or £10,800 higher than the original Estimate, due almost entirely to an improvement in traffic on the Great Indian Peninsula Railway during the first three months of the year, during which period this line continued to be classed under this head. The Budget Estimate of net receipts for 1901-1902 is ₹32,61,000 or £217,400 lower than the Revised Estimate for the current year and is due to the exclusion of the transactions of the Great Indian Peninsula Railway, which are now shown under "State Railways."

246. The decrease in the Budget Estimate of surplus profits and other charges for 1901-1902, as compared with the Revised Estimate for 1900-1901, is due to the Great Indian Peninsula Railway having become a State Railway.

IRRIGATION.

Irrigation.	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
Major Works.	₹	₹	₹	₹	₹	₹
Revenue — Direct Receipts	2,37,77,440	2,21,29,300	2,36,77,938	2,30,74,000	2,57,58,000	2,34,43,000
Revenue — Land Revenue	96,47,380	1,00,87,584	1,00,52,606	1,06,71,000	1,09,59,000	1,13,33,000
Expenditure — Working Expenses	89,21,190	94,03,929	99,71,283	98,91,000	1,04,27,000	1,04,45,000
Expenditure — Interest	1,28,42,490	1,31,26,938	1,34,51,236	1,38,49,000	1,38,27,000	1,42,40,000
Net	+1,16,61,140	+96,86,017	+1,03,08,025	+1,00,05,000	+1,24,63,000	+1,00,91,000
Minor Works.						
Receipts—Direct	22,73,820	24,13,856	22,67,383	23,49,000	24,91,000	25,22,000
Expenditure	96,77,170	94,03,466	1,05,29,591	1,07,67,000	1,03,35,000	1,13,97,000
Statistics of Major Works.						
Capital Outlay to March 31	32,63,98,030	33,31,93,752	34,26,13,013	35,31,57,720	35,19,94,013	36,32,74,013

247. The Revised Estimate of receipts from Major Works is higher than the Budget Estimate by ₹29,72,000. The increase is due to the larger demand for water from the canals in the North-Western Provinces and Oudh and the Punjab, in consequence of a failure of the rains, as well as to the development of irrigation from the Chenab Canal and the opening of the Jamrao Canal in Sind. The increase in the receipts from Minor Works occurs also in the North-Western

Provinces and Oudh and the Punjab, and is due to the same cause. The increased Revenue of 1900-1901 caused an increase in the collection charges, and damages by floods rendered special repairs necessary in the Punjab and Madras. The Budget Estimate of direct receipts from Major Works anticipates a decrease of ₹23,15,000. Seasonable rainfall has considerably reduced the area irrigated by the canals in Upper India during the present *rabi* season, except by the Chenab Canal, in the revenue of which an increase of ₹5,05,000 is expected. The increase in the indirect receipts is due to the further development of irrigation from the Chenab and Jamrao Canals.

248. The financial results obtained during 1898-99 and 1899-1900 from Irrigation Works, for which Capital and Revenue Accounts are kept, are given below :—

	1898-99.	1899-1900.
MAJOR WORKS.	₹	₹
Capital Outlay—		
Direct and Indirect . During the year	70,71,840	97,06,074
Direct and Indirect . To end of year	34,83,46,160	35,80,52,223
Revenue Account—		
Gross Revenue	3,26,50,990	3,41,68,793
Maintenance and Working	1,04,74,020	1,10,50,414
Net Revenue	2,21,76,970	2,31,18,379
Interest	1,31,26,950	1,34,50,962
Net Profit	90,50,020	96,67,417
Percentage of net Revenue of the year on the Capital Outlay to end of the year	6·37	6·46
MINOR WORKS.		
Capital Outlay—		
Direct and Indirect . During the year	6,85,160	10,00,482
Direct and Indirect . To end of year	5,36,09,630	5,45,95,085
Revenue Account—		
Gross Revenue	58,44,310	53,23,076
Maintenance and Working	27,58,610	32,81,905
Net Revenue	30,85,700	20,41,171
Percentage of net Revenue of the year on the Capital Outlay to end of the year	5·75	3·74

The figures in this table are taken from the administrative accounts. In the case of Minor Works interest on the Capital Outlay is not charged, as the Capital Expenditure is incurred from Revenue.

BUILDINGS AND ROADS.

	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901.		1901-1902, Budget.
				Budget.	Revised.	
EXPENDITURE.						
India—	₹	₹	₹	₹	₹	₹
Military Works .	1,05,95,397	1,13,26,765	1,20,71,699	1,15,09,000	1,05,00,000	1,31,74,000
Civil Works, Imperial	30,21,205	40,89,677	34,69,912	40,62,000	42,11,000	67,27,000
Civil Works, Provincial . . .	2,25,80,177	2,49,41,915	2,81,23,260	2,80,81,000	2,84,20,000	3,28,31,000
Civil Works, Local .	1,56,40,103	1,60,53,002	1,65,02,152	1,72,60,000	1,65,68,000	1,78,11,000
TOTAL INDIA .	5,18,36,882	5,64,11,359	6,01,67,023	6,09,12,000	5,96,99,000	7,05,43,000
England—	£	£	£	£	£	£
Military Works .	69,633	52,531	31,782	13,400	39,000	16,800
Civil Works . .	80,866	99,043	91,735	88,600	92,600	95,200
TOTAL ENGLAND .	150,499	151,574	123,517	102,000	131,600	112,000
RECEIPTS.						
India . . ₹	62,26,319	65,91,962	61,77,332	62,48,000	62,94,000	62,22,000
England . . £	28,911	30,519	29,058	27,300	25,500	25,600

249. The expenditure on Imperial Military Works in India is expected to be less than the Budget Estimate by ₹10,09,000, while that in England has been increased by ₹3,84,000. The grant of the year was increased by ₹2,20,000 transferred from the Military Estimates for expenditure on certain mobilization works, but a lapse of ₹7,48,000 on the total grant is anticipated. A special addition of ₹17,75,000 has been made to the Budget grant for 1901-1902: this is part of the large new expenditure mentioned in paragraph 221, as having been sanctioned to increase the efficiency of the Army. It is given for the following purposes:—

	₹
The new Cordite Factory	6,00,000
(in addition to 2 lakhs provided from the ordinary grant)	
The new Gun Carriage Factory	2,20,000
(in addition to 2 lakhs from the ordinary grant)	
Mounted Infantry Schools	2,50,000
Accommodation for a third Howitzer Battery . . .	5,00,000
Coast Defence Electric Lights	75,000
A new Small Arms Factory	50,000
Accommodation for increase in personnel of the Sub-Marine Mining Establishment in India	80,000

250. The expenditure on Imperial Civil Works during 1900-1901 is expected to be more than the Budget Estimate by ₹1,49,000; the increase being due to special grants having been sanctioned during the year for the Military Secretariat, Calcutta, and for the purchase of a site for the Bagdad Residency. The Budget grant for 1901-1902 is higher than that for 1900-1901 by ₹26,65,000, special grants having been allotted for new public offices at Calcutta, Simla, Chittagong, and Bangalore, and a further contribution having been made towards the Simla Extension project. The expenditure on Provincial Civil Works during 1900-1901 is expected to be more than the Budget Estimate by ₹3,39,000, while that on Local Civil Works is expected to be less than the Budget Estimate by ₹6,92,000. The Provincial Budget Estimates for 1901-1902 exceed those of the

present year by the large amount of ₹47,50,000. This is possible in consequence of the returning prosperity of most of the Provinces and of the special contributions made from Imperial as mentioned in paragraph 188.

The Budget grant for 1901-1902 for Local Civil Works is slightly in excess of that for 1900-1901, as in Bengal and Madras it has been found possible to devote additional funds to the construction of roads and other works.

ARMY SERVICES.

Expenditure.	Accounts, 1897-98.	Accounts, 1898-99.	Accounts, 1899-1900.	1900-1901. Budget.	1900-1901. Revised.	1901-1902, Budget.
India—						
Effective Services—	₹	₹	₹	₹	₹	₹
Regimental Pay and Allowances.	8,27,82,180	8,13,00,170	7,85,49,869	7,86,35,000	7,18,33,000	8,35,47,000
Commissariat .	3,74,75,520	3,62,16,420	3,73,06,113	4,45,91,000	3,95,07,000	4,29,32,000
Ordnance . .	85,20,060	82,71,720	74,33,281	88,68,000	69,46,000	1,16,17,000
Other Heads .	6,56,23,780	3,97,70,180	2,99,59,440	3,19,93,000	3,32,14,000	3,13,27,000
	19,44,01,540	16,55,58,490	15,32,48,703	16,40,87,000	15,15,00,000	16,94,23,000
Non-effective Services	92,23,850	93,32,840	91,15,539	91,79,000	91,68,000	91,80,000
Total India .	20,36,25,390	17,48,91,330	16,23,64,242	17,32,66,000	16,06,68,000	17,86,03,000
England—	£	£	£	£	£	£
Effective Services—						
Payments to War Office in respect of British Forces serving in India.	729,719	764,400	739,423	700,000	700,000	760,000
Furlough Allowances and Pay during Voyage of British Forces serving in India .	98,390	107,875	93,645	108,000	55,000	108,000
Furlough Allowances of Officers of the Indian Service . .	195,800	203,833	217,265	*230,000	193,000	230,000
Indian Troop Service . .	228,944	276,556	130,794	250,000	80,800	250,000
Other Heads .	49,388	29,813	58,285	41,000	47,000	39,600
Stores for India—						
Clothing . .	177,184	190,574	138,215	204,600	191,000	216,700
Ordnance and Miscellaneous.	269,377	281,890	189,874	643,800	626,000	1,148,000
Other Heads .	80,580	65,284	71,237	103,000	79,300	62,500
	1,829,382	1,920,225	1,638,738	2,280,400	1,972,100	2,814,800
Non-effective Services—						
Payments to War Office for Retired Pay, etc., of British Forces for services in India	506,847	527,523	556,901	569,000	553,200	600,000
Pay and Pensions of Non-effective and Retired Officers of the Indian Service .	1,771,591	1,756,045	1,725,197	1,710,000	1,690,000	1,670,000
Other Heads .	136,407	138,111	140,108	148,300	146,700	143,700
	2,414,845	2,421,679	2,422,206	2,427,300	2,389,900	2,413,700
Total England	4,244,227	4,341,904	4,060,944	4,707,700	4,362,000	5,228,500
Receipts—	₹	₹	₹	₹	₹	₹
India . . .	80,93,320	83,87,271	95,38,586	99,11,000	1,19,82,000	78,45,000
	£	£	£	£	£	£
England . .	46,402	57,133	83,577	43,500	35,300	266,800

251. With regard to the Expenditure in 1900-1901, it may be mentioned that from the large savings that have accrued by the absence of the Indian Contingents in South Africa and China, the Government of India has sanctioned special new expenditure with the object of improving the efficiency of the Army. Among the more important of these measures are the following:—

Purchase of six batteries of German guns and an additional 20,000 Lee-Enfield rifles at a cost of £262,000.

300 artillery horses have been procured for £18,000.

The equipment of four general hospitals of the Field Army has been completed at a cost of £9,000.

£10,000 have been incurred for 10 miles of light tramway material and for railway sidings and water-supply arrangements at rest-camps.

£24,000 have been spent on light railway material.

The acquisition of land for tactical instruction has cost £6,000.

The grant of compensation to Australian shippers of horses has cost £10,000, and bounties to British soldiers extending their colour service has involved an expenditure of £15,000.

£12,000 have been spent on account of the addition of a howitzer battery to the Field Artillery in India, and £7,000 on temporarily increasing the Native Army reserves.

The total cost of all these measures exceeds £425,000.

With regard to the Expenditure of next year, those causes of increase may first be stated which are beyond the control of the Government of India. In the Budget for next year it has been assumed that there will be no savings owing to the despatch of troops out of India without replacement, and as compared with the current year's Budget there will be an increase of £316,000 on this account. The rise in price of metals and home stores accounts for an increase of about £100,000. The abatement of famine in many parts of the country gives, on the other hand, a reduction of £267,000, so that the net addition to the expenditure due to unavoidable causes may be approximately taken at £149,000.

The Government of India has also deemed it necessary to sanction several measures involving new expenditure for the improvement of the efficiency of the Army. Foremost comes the re-armament of the Native Army, for which £395,000 have been provided. £105,000 have been set aside for the reorganisation of the Transport Service.

The purchase of 81 maxim guns for the Field Army and coast defences will cost about £34,000, and the purchase of new 10-pr. guns for mountain batteries in India will cost £27,000.

The addition of two howitzer batteries to the Field Army and of one company of Royal Garrison Artillery accounts for an increase of £79,000.

The formation of five schools for mounted infantry in India will involve an expenditure of £43,000, while £26,000 represent the increase due to the addition of one British officer per regiment of Native Infantry in India and of eight officers for the Commissariat-Transport Department.

Provision has also been made for the following:—

Two 6″ B. L. guns for the re-armament of Choki Point battery, £11,000; purchase of 18 machine guns of different patterns for trial, £8,000; provision of Grenfell sights for the Field Artillery, £8,000; improvement of the equipment of field batteries and ammunition column units in India, £18,000; provision of cordite ammunition for 6″ B. L. guns of coast defences, £8,000; for increasing the popularity and improving the efficiency of the Volunteer Forces in India, £7,000; Bandolier equipment for the Field Army, £13,000; augmentation of the submarine mining establishments, £7,000; and the purchase of 294 horses for the artillery, £25,000.

The total cost of the measures involving new expenditure exceeds £944,000, in addition to £118,000 provided in the Military Works Estimates.

Section V.—Capital Expenditure on Railways and Irrigation Works not charged to Revenue.

RAILWAY CONSTRUCTION.

252. The expenditure on Railway Construction for which the Government of India undertakes any financial responsibility or gives any direct guarantee will be ₹8,30,75,000 in the current year and ₹10,32,44,000 in 1901-1902, the amount having been ₹8,96,77,803 in 1899-1900 and ₹7,30,84,000 in the Budget Estimate of this year. The distribution of the total expenditure on Railway Construction between State and Companies' Agency in each of the three years from 1899-1900 to 1901-1902 is as follows :—

	1899-1900, Accounts.	1900-1901, Revised Estimate.	1901-1902, Budget Estimate.
Expenditure in England.	£	£	£
1. State Lines	605,337	648,000	1,478,000
2. Old Guaranteed Railways	678,000	337,200	510,500
3. Extensions of ditto	62,865	117,700	50,000
4. Other Guaranteed or Assisted Railways	866,742	788,400	1,076,400
TOTAL	2,212,944	1,891,300	3,114,900
Equivalent in rupees of Expenditure in England.	₹	₹	₹
1. State Lines	90,80,060	97,20,000	2,21,70,000
2. Old Guaranteed Railways at contract rates	95,39,622	43,87,000	70,22,000
3. Extensions of ditto at prescribed rates	9,42,992	17,63,000	7,50,000
4. Other Guaranteed or Assisted Railways at contract rates	1,25,43,200	1,18,21,000	1,61,58,000
TOTAL	3,21,05,874	2,76,91,000	4,61,00,000
Expenditure in India.			
1. State Lines	4,33,47,940	3,94,16,000	4,22,46,000
2. Old Guaranteed Railways (net repayments)	*—52,25,032*	*—14,97,000*	*—26,91,000*
3. Extensions of ditto (ditto)	32,68,819	—3,89,000	20,50,000
4. Other Guaranteed or Assisted Railways	1,48,55,890	1,73,99,000	1,51,12,000
5. Branch Lines on firm guarantee	13,24,312	4,55,000	4,27,000
TOTAL INDIA	5,75,71,929	5,53,84,000	5,71,44,000
TOTAL OF PROGRAMME	8,96,77,803	8,30,75,000	10,32,44,000

253. The figures in the above table do not include the expenditure of Branch Line Companies not in receipt of a direct guarantee, nor that of other Companies whose transactions are outside the Government accounts. Including this expenditure and also the expenditure from Provincial and Local Revenues and from loans raised by Local Boards on local lines, the total expenditure on Railway Construction in the three years may be stated as follows :—

	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	₹	₹	₹
Total as in table in paragraph 252	8,96,77,803	8,30,75,000	10,32,44,000
Branch lines not on firm guarantee	37,63,193	5,80,000	3,92,000
Railways outside Government accounts	54,14,500	37,15,000	53,62,000
Provincial and Local State lines	35,345	2,73,000	12,36,000
GRAND TOTAL	9,88,90,841	8,76,43,000	11,02,34,000

254. The following are the details of the Expenditure on State lines :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
Expenditure by State Agency—	R	R	R
Open lines—			
North-Western	35,08,520	51,78,000	62,83,000
Frontier Railway Reserve	—9,884	—2,000	...
Peshawar Railway do.	...	—2,31,000	...
Oudh and Rohilkhand	15,23,774	9,76,000	15,30,000
Eastern Bengal	32,11,945	26,56,000	42,85,000
Warora Colliery	—[illegible],939	—52,000	—10,000
East Coast	8,00,239	7,40,000	3,81,000
Stores transactions	—5,80,350	—2,48,000	1,80,000
Umaria Colliery	—9,38,457	...	...
Hyderabad-Shadipalli	...	24,000	1,53,000
TOTAL	75,17,848	90,41,000	1,28,02,000
Lines under construction—			
Teesta Bridge	8,91,531	4,50,000	22,000
Cooch Behar-Santrabari	2,96,575	4,000	...
Godavari Bridge	20,49,480	4,00,000	...
Indus Bridge	1,33,401	—25,000	11,000
Kaunia-Dhubri	3,63,154	17,05,000	22,00,000
Shadipalli-Jodhpur Frontier	9,42,349	3,98,000	5,000
Ghaziabad-Moradabad	37,88,129	19,16,000	4,21,000
Nowshera-Dargai	7,45,974	7,69,000	16,000
Agra Delhi Chord	31,982	12,000	...
Khushalgarh-Kohat	...	4,60,000	20,00,000
Eastern Bengal Railway, doubling line and Extension of Chitpore terminus	...	...	20,00,000
Hyderabad-Rahuki	...	...	13,000
TOTAL	92,42,575	60,89,000	66,88,000
Expenditure by Agency of Companies—			
Open lines—			
East Indian Railway (including extensions)	1,98,82,502	1,69,70,000	1,87,50,000
Rajputana-Malwa	11,50,566	27,44,000	21,24,000
Tirhoot	8,41,476	20,00,000	5,00,000
Bhopal	49,882	50,000	2,50,000
Dhond and Manmad	1,04,430	33,000	2,00,000
South Indian	5,34,698	3,75,000	12,00,000
Guntakal-Mysore Frontier	—231	6,000	...
Palanpur-Deesa	...	...	4,000
Wardha Coal	...	...	5,000
Great Indian Peninsula	...	40,21,000	10,58,000
TOTAL	2,25,63,323	2,61,99,000	2,40,91,000
Lines under construction—			
Assam-Bengal — Land	36,082	75,000	10,000
Assam-Bengal — Construction	99,17,357	7,22,000	82,90,000
Assam-Bengal — Chittagong jetties	2,01,069	—15,000	45,000
Hajipur-Katihar extension	24,36,442	30,88,000	20,46,000
Madura-Pamban	1,90,750	15,72,000	35,00,000
Tinnevelly-Quilon—British section	3,22,554	7,70,000	20,00,000
Ditto —Native State section	...	15,95,000	49,44,000
TOTAL	1,31,04,254	78,07,000	2,08,35,000
GRAND TOTAL	5,24,28,000	4,91,36,000	6,44,16,000

255. The following are the details of the expenditure on the Old Guaranteed Companies and their extensions :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	₹	₹	₹
Bombay, Baroda and Central India Railway .	41,49,383	13,98,000	28,00,000
Great Indian Peninsula Railway . . .	*—4,26,226*	5,04,000	...
Great Indian Peninsula Railway Extensions .	31,96,455	*—15,77,000*	...
Madras Railway . .	5,91,433	9,88,000	15,31,000
Madras Railway Extensions . . .	10,15,356	29,51,000	28,00,000
TOTAL .	85,26,401	42,64,000	71,31,000

256. The details of the figures under other Guaranteed or Assisted Railways are the following :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	₹	₹	₹
Asam-Bengal . .	...	83,78,000	...
Bengal Central . .	1,07,764	2,50,000	1,50,000
Bengal-Nagpur . .	1,75,049	10,17,000	1,02,51,000
Bengal-Nagpur Extensions	1,68,95,945	70,87,000	72,00,000
Burma Railways . .	78,14,726	97,85,000	96,74,000
Indian Midland (including Saugor-Katni) . .	19,47,492	17,29,000	31,00,000
Lucknow-Bareilly . .	*—2,969*	3,74,000	2,95,000
Mysore . . .	1,76,822	2,20,000	2,00,000
Southern Mahratta .	2,84,261	3,80,000	4,00,000
TOTAL .	2,73,99,090	2,92,20,000	3,12,70,000

257. The details of the Expenditure on Branch lines having a direct guarantee are :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	₹	₹	₹
Brahmaputra-Sultanpur .	6,87,176	3,80,000	2,70,000
Hardwar-Dehra . .	6,37,136	75,000	1,57,000
TOTAL .	13,24,312	4,55,000	4,27,000

258. The following are the details of Branch lines without a guarantee :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	₹	₹	₹
Ahmedabad-Parantij .	*—4,256*	...	32,000
Mymensingh-Jamalpur .	3,46,050	2,50,000	1,23,000
South Behar . . .	9,82,172	55,000	*—8,000*
Tapti Valley . . .	24,39,227	2,75,000	2,45,000
TOTAL .	37,63,193	5,80,000	3,92,000

259. The Railways outside Government Accounts shown above are the following :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	R	R	R
Bengal and North-Western Railway Extensions	35,01,900	4,12,000	11,60,000
Kalka-Simla . .	7,09,000	8,17,000	24,04,000
Bengal Dooars . .	12,03,600	24,86,000	17,98,000
TOTAL .	54,14,500	37,15,000	53,62,000

260. The expenditure on the Provincial and Local State lines is distributed as follows :—

	Accounts, 1899-1900.	Revised, 1900-1901.	Budget, 1901-1902.
	R	R	R
Jorhat and Cherra-Companyganj lines . .	3,488	3,000	6,000
Mayavaram Mutupet .	27,001	2,70,000	12,30,000
Hyderabad Shadipalli .	4,856	...	..
TOTAL .	35,345	2,73,000	12,36,000

IRRIGATION CONSTRUCTION.

261. The figures are :—

Accounts, 1899-1900.	Budget, 1900-1901.	Revised, 1900-1901.	Budget, 1901-1902.
R	R	R	R
89,69,400	1,00,00,000	90,08,000	1,00,00,000

The expenditure during the current year will probably fall short of the Budget Estimate by R9,92,000. The progress of works has been slower than anticipated in all Provinces except Madras. In order to provide for an adequate rate of progress on the large projects, now in hand, the Budget Grant for 1901-1902 has been fixed at R1,00,00,000 as in the current year.

262. The following table shows the projects included in the programme of this and next year, and the amounts to be spent on each :—

NAME OF PROJECT.	Expenditure in 1900-1901.	Expenditure in 1901-1902.
	R	R
Mandalay canal	9,00,000	7,00,000
Shwebo „	1,44,000	8,00,000
Bari Doab „	2,50,000	5,57,000
Chenab „	7,50,000	7,35,000
Jhelum „	33,97,000	24,98,000
Desert „	3,33,000	3,97,000
Jamrao „	9,25,000	5,61,000
Other projects	23,09,000	37,52,000
TOTAL .	90,08,000	1,00,00,000

Section VI.—Provincial Finance.

263. In view especially of the grants-in-aid of Provincial Revenues, aggregating 164½ lakhs, which have been mentioned more than once in this Statement, it is proposed in this Section to give some figures and explanations relating to the Provincial Revenues and Expenditure of the several Provinces.

264. The current Provincial Settlements were arranged in 1897, to have effect for the five years 1897-98 to 1901-1902. In estimating the figures for each Settlement the Provincial heads of Revenue and Expenditure are taken at amounts representing the normal Revenue and Expenditure at the stage of growth existing at the time, future increases of Expenditure being left to be met from future increases of Revenue. A fixed adjustment is made, either by deduction or by addition, of the amount required to place the Revenue in equilibrium with the Expenditure. The following table shows for each Province the Estimate of the Settlement, the opening Provincial balance on April 1, 1897, the Revenue and Expenditure in each year since 1897-98, and the closing balance of each year:—

	Estimate for the Settlement of 1897-98 to 1901-1902.	Accounts.			Revised, 1900-1901.	Budget, 1901-1902.
		1897-98.	1898-99.	1899-1900.		
CENTRAL PROVINCES—	₹	₹	₹	₹	₹	₹
Balance on April 1, 1897		...				
Total Revenue, including adjustments	84,35,000	89,85,000	88,10,000	83,47,000	93,16,000	1,06,24,000
Total Expenditure	84,35,000	89,85,000	86,87,000	84,70,000	93,16,000	98,24,000
Closing Balance	...	...	1,23,000	...	...	8,00,000
BURMA—						
Balance on April 1, 1897		31,22,000				
Total Revenue, including adjustments	2,93,81,000	3,15,97,000	3,41,00,000	3,47,29,000	3,61,96,000	3,63,24,000
Total Expenditure	2,93,81,000	2,99,03,000	2,99,85,000	3,21,15,000	3,53,79,000	3,85,53,000
Closing Balance	...	48,16,000	89,31,000	1,15,45,000	1,23,62,000	1,01,33,000
ASSAM—						
Balance on April 1, 1897		9,44,000				
Total Revenue, including adjustments	66,43,000	71,62,000	89,34,000	71,53,000	70,98,000	74,74,000
Total Expenditure	66,43,000	76,18,000	80,67,000	79,68,000	72,86,000	72,87,000
Closing Balance	...	4,88,000	13,55,000	5,40,000	3,52,000	5,39,000
BENGAL—						
Balance on April 1, 1897		39,54,000				
Total Revenue, including adjustments	4,43,49,000	4,65,69,000	4,74,76,000	4,73,90,000	4,82,87,000	4,81,43,000
Total Expenditure	4,43,49,000	4,96,01,000	4,52,81,000	4,66,89,000	4,79,01,000	5,03,47,000
Closing Balance	...	9,22,000	31,17,000	38,18,000	42,04,000	20,00,000
NORTH-WESTERN PROVINCES AND OUDH—						
Balance on April 1, 1897		...				
Total Revenue, including adjustments	3,42,62,000	3,52,97,000	3,77,81,000	3,64,77,000	3,69,29,000	3,58,29,000
Total Expenditure	3,42,62,000	3,52,97,000	3,44,95,000	3,57,23,000	3,64,05,000	3,81,79,000
Closing Balance	...	...	32,86,000	40,40,000	45,64,000	22,14,000
PUNJAB—						
Balance on April 1, 1897		5,23,000				
Total Revenue, including adjustments	1,90,28,000	1,95,58,000	2,07,00,000	1,87,24,000	2,02,98,000	2,28,55,000
Total Expenditure	1,90,28,000	1,95,81,000	1,95,46,000	2,03,78,000	2,02,98,000	2,18,55,000
Closing Balance	...	5,00,000	16,54,000	...	...	10,00,000
MADRAS—						
Balance on April 1, 1897		22,95,000				
Total Revenue, including adjustments	3,10,61,000	3,16,20,000	3,36,38,000	3,14,94,000	3,24,65,000	3,60,31,000
Total Expenditure	3,10,61,000	3,31,97,000	3,20,31,000	3,32,52,000	3,29,43,000	3,41,20,000
Closing Balance	...	7,18,000	23,25,000	5,67,000	89,000	20,00,000
BOMBAY—						
Balance on April 1, 1897		17,96,000				
Total Revenue, including adjustments	4,16,53,000	4,26,96,000	4,60,23,000	4,24,32,000	4,59,67,000	4,86,12,000
Total Expenditure	4,16,53,000	4,39,92,000	4,50,19,000	4,39,36,000	4,59,67,000	4,66,12,000
Closing Balance	...	5,00,000	15,04,000	...	...	20,00,000

265. The circumstances of the years during which the present Settlement has been current have been of an abnormal character, and have affected Provincial Revenues most unfavourably. The famine of 1896 and 1897 affected the North-Western Provinces and Oudh, the Central Provinces, and Bombay most severely, Madras, Bengal, and the Punjab seriously, and Burma slightly. The famine of 1899 and 1900 has affected Bombay and the Central Provinces most severely, the Punjab very seriously, and some of the other Provinces slightly. Assam, though unaffected by either famine, suffered very severely from the great earthquake of June 1897. All Provinces have had to incur heavy expenditure on plague preventive measures.

To enable the Local Governments to cope with those calamities, it was necessary for the Government of India to come to the aid of Provincial Revenues. The great bulk of the expenditure on famine relief was specially treated as Imperial, and, in addition, the Government of India has in the past four years from 1897-98 to 1900-1901 made the following special grants-in-aid of Provincial Revenues :—

	1897-98.	1898-99.	1899-1900.	1900-1901.
	R	R	R	R
Central Provinces	7,72,000	5,00,000	19,32,000	34,15,000
Assam	8,00,000	18,00,000	...	...
Bengal	...	17,00,000	...	...
North-Western Provinces and Oudh	10,27,000	10,00,000	...	...
Punjab	...	5,00,000	95,000	5,98,000
Madras	...	16,96,000	3,49,000	...
Bombay	12,18,000	48,75,000	34,37,000	64,79,000

These amounts are included in the total Provincial Revenues of the several years in the table in paragraph 264, a fact for which allowance must be made in drawing any deductions as to the progress of Provincial Revenues in the period.

266. The strain thrown on Provincial Revenues has been so great that these grants of the past have not been sufficient to place all the Provinces in a satisfactory financial position, or to enable them to undertake even a moderate portion of the many useful measures involving expenditure which want of funds have compelled them to postpone. The evil of excessive economy, hampering the progress of the numerous and vital interests for which Provincial Revenues are allotted, is so great that the Government of India has decided to devote a considerable portion of the anticipated Imperial surplus of 1901-1902 to giving further aid to Provincial Revenues. The following grants-in-aid are accordingly provided in the Estimates of next year :—

	R
Central Provinces	26,89,000
Assam	2,00,000
Punjab	12,40,000
Madras	32,14,000
Bombay	91,00,000
TOTAL	1,64,43,000

These amounts also are included in the total Revenues for the year 1901-1902 in the table in paragraph 264.

267. The grants are to be devoted, first, to restoring the closing balance to the minimum prescribed for each Province, and, in the second place, to increasing the grants for Provincial Expenditure. The effect of raising the balance to the minimum will be to allow the Local Governments to devote all their current Revenues to Expenditure.

268. The following is a short account of the present financial condition of each Province, from which the reasons for making the grants will be apparent.

CENTRAL PROVINCES.

269. This small Province has been severely tried during the whole of the period under review, having suffered from two very serious famines almost in succession, the first of which had been preceded by three or four distinctly unfavourable seasons. The estimates of expenditure next year after elimination of the special expenditure of 6 lakhs mentioned in paragraph 214, are all moderate, and could not be further restricted. The grant-in-aid required to avoid a *minus* closing balance was ₹16,64,000: this has been increased to ₹26,89,000 which, after restoring the Provincial closing balance to the prescribed minimum of 8 lakhs, admitted of an increase of ₹2,25,000 to the grant proposed by the Chief Commissioner under 45.—Civil Works, raising that grant to ₹19,45,000, as compared with ₹15,00,000, the amount taken for the head in the Settlement in 1897.

The Revenues, without the special grants-in-aid, have every year been below the standard of 1897, and the expenditure has been restricted so as to prevent its increasing above that standard at anything like the normal rate of increase.

BURMA.

270. The Provincial Revenues of Burma are in a most prosperous condition. The Revenues have increased very much above the standard of 1897, and the Lieutenant-Governor is in the fortunate position of finding difficulty in usefully spending all the funds at his disposal. The Settlement estimate for 45.—Civil Works was ₹53,47,000: the grant for 1901-1902 is ₹38,00,000. There is no question of this Province requiring aid from Imperial Revenues.

ASSAM.

271. The large cost of repairing the damages caused by the earthquake constitutes the sole reason for Assam requiring aid from Imperial Revenues. The Provincial Revenues show a fairly satisfactory increase over the standard of 1897, and similar increases of expenditure have been possible.

The estimates, as submitted by the Chief Commissioner, resulted in a closing balance slightly above the prescribed minimum of 5 lakhs; but to secure that result he had restricted the grant for Civil Works 2½ lakhs below what he considered to be required for the proper continuance of the work of repairing earthquake damages. A grant-in-aid of ₹2,00,000 was made, and the grant under 45.—Civil Works was increased by ₹2,50,000 to ₹16,05,000, as compared with the Settlement estimate of ₹14,35,000.

BENGAL.

272. This Province has quite recovered from the effects of the famine, and has entered on what promises to be a period of prosperity. The Revenues have increased considerably above the standard of 1897, and the expansion of Expenditure (after 1897-98, in which year the expenditure on Famine Relief increased the Provincial Expenditure) has not yet kept pace with the improvement; and the opening balance of 1901-1902 will be ₹22,04,000 in excess of the prescribed minimum of 20 lakhs. But the Bengal Government proposes, and has been allowed, to spend, in addition to the current Revenues, the whole of this excess

next year, so that the closing balance will be just the minimum. The Settlement estimate for 45.—Civil Works was ₹32,44,000: the grant for 1901-1902 is ₹48,64,000. Bengal stands in no need of aid from Imperial Revenues.

NORTH-WESTERN PROVINCES AND OUDH.

273. The position of this Province is very similar to that of Bengal, and the same remarks apply, except that the Provincial Revenues were not able to bear any part of the famine expenditure in 1897-98, and the increases above the standard have not been quite so great as in Bengal. The opening balance of 1901-1902 will be ₹25,64,000 in excess of the prescribed minimum of 20 lakhs, and the Local Government proposes to spend next year almost the whole of the excess in addition to the current Revenues. The Settlement estimate for 45.—Civil Works was ₹27,80,000: the grant for 1901-1902 is ₹48,62,000. The Revenue for next year has been cautiously estimated. This Province also stands in no need of Imperial assistance.

PUNJAB.

274. The Punjab Provincial finances have been very seriously crippled by the two famines, in spite of the very great restrictions in expenditure which the Local Government effected in view of the calamities. In the first year of the new Settlement the Revenues increased slightly above the standard of 1897, but there has been practically no further increase since: the Local Government in view of the very favourable prospects of the present season takes a sanguine view and estimates for a large increase of Revenue next year, and it is to be hoped that its anticipation will prove correct, though that is the most doubtful of all the figures in this Financial Statement. The Provincial balances have been exhausted. The estimates proposed by the Local Government for next year resulted in a surplus of ₹6,59,000—an amount insufficient to raise the balance to the prescribed minimum of 10 lakhs—and the Local Government, in view of the urgent need for larger expenditure, asked permission to spend the surplus instead of devoting it to building up again the Provincial balance. The grant-in-aid for this Province was fixed at ₹12,40,000—an amount which will enable the Local Government to spend all the current Revenues and close the year with the prescribed minimum. The Settlement estimate for 45.—Civil Works was ₹27,40,000: the grant for 1901-1902 is ₹37,33,000.

MADRAS.

275. The Provincial Revenues in Madras have increased moderately above the standard of 1897, but the Expenditure has increased in a greater proportion; and the financial position is consequently unsatisfactory. On the estimates, as submitted by the Madras Government, the grant-in-aid required to avoid a *minus* closing balance next year was ₹6,14,000 and it was decided to make a special grant-in-aid of ₹32,14,000—an amount which will enable the Local Government to spend over 13 lakhs in addition to the current Revenues and to close the year with the prescribed minimum of 20 lakhs. The Settlement estimate for 45.—Civil Works was ₹22,00,000: the grant for 1901-1902 is ₹34,05,000.

BOMBAY.

276. The two famines have hopelessly disorganised the Provincial finances of Bombay: special grants from Imperial have been required in every one of the four years of the current Settlement; and, unlike all other Provinces, an era of more hopeful future prospects has not yet dawned on Bombay: we must wait for the next monsoon before we can look forward to any improvement in its Provincial finances. In addition to bearing as Imperial, as in the past, all the direct famine expenditure in 1901-1902, it was necessary to make a grant-in-aid of ₹62,48,000 to avoid a *minus* closing balance. The Government of India decided to increase this grant to 91 lakhs, which admits of an addition of 8½ lakhs to the very restricted grant for 45.—Civil Works proposed in view of the need for economy by the Local Government, and will still enable it to close the year with the prescribed minimum of 20 lakhs, provided that the estimates are realised. In the presence of severe famine it is difficult to say with confidence that the estimates will be realised, but they have been framed with caution. The Settlement estimate for 45.—Civil Works was ₹31,66,000: the grant for 1901-1902 is ₹36,17,000.

Section VII.—Ways and Means.

HOME TREASURY.

277. The following are the details of the transactions of the Home Treasury in the Budget and Revised Estimates for 1900-1901 and in the Budget Estimates for 1901-1902:—

	Budget, 1900 1901.	Revised, 1900-1901.	Budget, 1901-1902.
RECEIPTS.	£	£	£
Council Bills	16,440,000	13,500,000	16,500,000
Permanent Debt incurred	5,922,400	8,922,400	1,000,000
Temporary Debt ,,	5,000,000	5,500,000	5,000,000
Capital Receipts from Railway Companies—			
(*a*) for discharge of debt	1,774,200	177,800	2,166,400
(*b*) ,, expenditure	1,766,500	1,198,800	1,612,600
Deposits and Advances (net)	2,500	—58,900	71,600
Remittances from India—			
(*a*) Net Recoveries in connection with the war in South Africa and the China Expeditionary Force	...	1,386,300	304,000
(*b*) Release of gold held on Currency account in England (net)	500,000	1,500,000	...
(*c*) Gold received from India (net sale-proceeds)	...	3,988,000	500,000
Add—Opening Balance	2,223,668	3,330,943	3,717,543
TOTAL	33,629,268	39,445,343	30,872,143
OUTGOINGS.			
Excess of Expenditure over Revenue	17,071,500	16,961,400	17,747,300
Capital Outlay on State Railways and Irrigation Works	913,500	654,800	1,483,900
Redemption of Railway Liabilities	5,922,400	5,922,400	...
Issues to Railway Companies on Capital Account—			
(*a*) for discharge of debt	1,774,200	177,800	2,166,400
(*b*) ,, expenditure	1,463,600	1,246,400	1,639,500
Temporary Debt discharged	4,500,000	5,000,000	5,000,000
Remittances to India—			
(*a*) Railway Companies' Remittances (net)	—370,000	—562,000	28,400
(*b*) Family and other Remittances (net)	332,500	294,000	200,700
(*c*) Purchase of Silver	...	6,033,000	...
Add—Closing Balance	2,021,568	3,717,543	2,605,943
TOTAL	33,629,268	39,445,343	30,872,143

1900-1901. Home Treasury Ways and Means.

278. In framing the Budget Estimates of the current year it was assumed that the cash balance in the Home Treasury on the 1st of April 1900 would be £2,223,668, and that the Secretary of State would sell Bills on India to the extent of £16,440,000 during the year. The Estimate also provided for the release of £500,000 of the gold held on Currency account in the Bank of England, and for a net addition of £500,000 to the Temporary Debt by the issue of India Bills. The issue of a permanent Sterling Loan was not contemplated, but the raising in England of funds for the expenditure of Railway Companies was expected to result in a net receipt by the Secretary of State of £672,900. With these several receipts and a reduction of £202,100 in the cash balance of the Home Treasury, it was intended that the Secretary of State should meet the net disbursements in England on account of Government Expenditure and Miscellaneous Family and other Remittances which in March last were estimated at £18,315,000.

The actual cash balance on the 1st April 1900 was higher than that taken in the Budget Estimate of the current year by £1,107,275. Of this improvement, a sum of £663,600 was due to the repayments by the Imperial Government on account of Indian Expenditure in connection with the war in South Africa having been larger than was assumed in the Revised Estimate. There was also a decrease of £376,653 in the net disbursements of the Home Treasury as compared with the Revised Estimate of 1899-1900, and the receipts from the sale of Council Bills were higher by £67,022.

The large increase of the Famine Expenditure in India during the current year and the heavy demands for famine loans to Native States and to agriculturists, in excess of the liberal provision made on these accounts in the Budget Estimate, imposed a severe strain on the Indian treasury balances, and it was found necessary to restrict the drawings of the Secretary of State. The Revised Estimate of Council Bills is now placed at £13,500,000 or less than the amount entered in the Budget Estimate by £2,940,000. A decline of £158,500 in the net receipts by the Secretary of State on account of the Capital of Railway Companies is also anticipated in the Revised Estimate of 1900-1901. On the other hand, the net disbursements at the Home Treasury for Government Expenditure and the deposit and ordinary remittance transactions of the year are estimated to be less than the Budget by £345,900, and it is expected that the recoveries from the Imperial Government on account of the charges incurred in India in connection with the war in South Africa and the China Expeditionary Force will amount to £1,386,300. Nothing was entered on the latter account in the Budget Estimate as the long continuance of field operations in South Africa was doubtful, and the expedition to China was not contemplated when the estimates were framed.

The heavy demands for rupees in India have necessitated large purchases of silver, and the payments in England on this account are now estimated at £6,033,000. To cover these payments, gold to the extent of about four millions has been remitted from India in instalments from October 6, 1900, to March 9, 1901, £3,985,000 being entered as the receipts during the currrent year by the sale in England of the gold remitted; and the gold held in London on April 1, 1900, on account of the Currency Department, £1,500,000, has been released. Of the latter amount, £500,000 were entered in the Budget Estimate; the improvement in the receipts of the Home Treasury due to this cause is, therefore, £1,000,000.

The only payment of gold to the Bank of England on Currency account during the current year has been a sum of £100,000, which was set apart and held under the Act, VIII of 1900, in December 1900. This amount was a few weeks later released to be used for the purchase of silver, and at present no reserve of gold is held in England on account of the Indian currency note circulation.

The result of the several variations from the Budget Estimate above explained is a reduction of £2,411,300 in the balances of the Home Treasury during the current year. When it was known that there would be so large a reduction, it became necessary to raise a public loan in England, and in July last the Secretary of State invited tenders for India 3 per cent Stock for £3,000,000. The loan was issued at the fixed price of 95½ per cent; the applications received amounted to over five million pounds sterling.

The closing cash balance of the current year is now estimated at £3,717,543, or higher than that taken in the Budget Estimate by £1,695,975, being the difference between the reduction in the balances of £2,411,300 above explained and the sum of the public loan of £3,000,000, and of the increase of £1,107,275 in the cash balance on the 1st of April 1900.

279. The Budget programme provided for the issue of £5,000,000 of India Sterling Bills, of which £4,500,000 were in renewal of Temporary Debt the liability for which would fall within the current financial year. An addition to the Temporary Debt of £500,000 has been made as contemplated in the Budget Estimate. But of the Bills issued in September 1900 a sum of £500,000 was borrowed for a period of six months, and the liability for discharge falls, therefore, within the present financial year. A further issue of £500,000 in renewal of these Bills has, therefore, been made, raising the gross amount issued and

1900-1901. Temporary Sterling Loans.

discharged during 1900-1901 to £5,500,000 and £5,000,000, respectively. The results of these Temporary Loans have been as follows:—

Month of Issue.	Amount tendered.	Amount accepted.		Average rate of interest per cent per annum.
	£	£		£ s. d.
June 1900	5,588,000	2,000,000	for twelve months.	3 6 2
September „	6,290,000	1,000,000	ditto	3 16 7
		500,000	for six months.	3 16 2
November „	4,545,000	1,000,000	for twelve months.	3 17 9
March 1901	4,547,000	1,000,000	ditto	3 12 0

The rates of interest payable on the temporary loans continue to rule high. The stringency in the London Money Market accounts for this as well as for the low price at which the India Stock was issued.

280. The net issues to Railway Companies in England during 1900-1901 are now estimated at £47,600 against a net receipt of £302,900 taken in the Budget Estimate, or an increase of £350,500 in the net outgoings. The usual details are as follow: —

	Budget.	Revised.
RECEIPTS.	£	£
Subscribed Capital—		
(*a*) State Lines	2,363,500	773,500
(*b*) Guaranteed Lines	1,174,200	600,000
Miscellaneous	3,000	3,100
TOTAL	3,540,700	1,376,600
ISSUES.		
For Discharge of Debentures—		
(*a*) State Railways	1,200,000	45,000
(*b*) Guaranteed Railways	574,200	132,800
For Stores, Establishment Charges, etc.—		
(*a*) State Railways	703,400	789,700
(*b*) Guaranteed Railways	760,200	456,700
TOTAL	3,237,800	1,424,200

The decrease of £2,164,200 in the receipts on account of Subscribed Capital is made up as follows :—

	£
Debentures renewed instead of being replaced by fresh Capital—	
Bengal-Nagpur Railway	155,000
Indian Midland Railway	1,000,000
Madras Railway	321,400
Bombay, Baroda and Central India Railway	120,000
	1,596,400
Receipts on account of Capital, less by—	
Bengal Central Railway	20,000
Bengal-Nagpur Railway	45,000
Indian Midland Railway	370,000
Bombay, Baroda and Central India Railway	112,000
Madras Railway	20,800
	567,800
TOTAL	2,164,200

The conditions obtaining in the London Money Market led to the postponement, as far as possible, of the raising of fresh Capital by Railway Companies.

281. The bulk of the decrease of £217,200 in the Revised Estimate of drawings for expenditure on stores, etc., is caused by the withdrawals on account of the Great Indian Peninsula Railway, after the purchase of the undertaking, having been shown under the Remittance Account between England and India instead of under the Capital Account of Railway Companies as provided for in the Budget Estimate.

282. The following are the details of the remittance transactions of Railway Companies working State lines in India to whom advances are made in England for the purchase of stores, etc., against adjustments in India by debit to the Railway accounts:—

	Budget.	Revised.
	£	£
Advances for Purchase of Stores—		
East Indian Railway	1,000,000	839,900
Rajputana-Malwa Railway	90,000	154,300
South Indian Railway	62,000	100,000
Bengal and North-Western Railway	130,000	172,800
Great Indian Peninsula Railway	...	199,700
TOTAL	1,282,000	1,466,700
East Indian Railway Debentures (net)	1,600,000	1,775,500
South Indian Railway Debentures	50,000	250,000
Transfer fees, etc.	2,000	3,200
TOTAL	1,652,000	2,028,700
Net Remittance from India	370,000	562,000

The Budget Estimate provided for the issue of £2,199,700 of Debentures by the East Indian Railway Company, of which £599,700 were for the discharge or exchange of Debentures expiring in February 1901. The Company issued £1,000,000 of Debenture Stock in April last, which realised £951,300; a further issue, in the last quarter of the year, of £926,000 realized £850,200: the bulk of the Debentures which it was intended to discharge have been renewed and only £26,000 will be discharged. The South Indian Railway Company have issued £200,000 of Debentures in excess of the amount entered in the Budget Estimate, to meet the expenditure on the Madura-Paumben and the Tinnevelly-Quilon Railways.

The aggregate advances for purchase of stores is expected to exceed the Budget Estimate by £184,700. This is due to the Budget provision for withdrawals by the Great Indian Peninsula Railway having been made under the Capital Account of Railway Companies as already explained in paragraph 281.

1900-1901. Family and Other Remittances.

283. The Family and Other Remittances are now expected to result in a net payment of £294,000, or £38,500 less than the amount entered in the Budget Estimate. The repayments in England of advances of various kinds made in India will be larger, and the disbursements on account of Indian money orders and remittances by the Administrators General less, than was anticipated in March last.

1901-1902. Home Treasury Ways and Means.

284. The net disbursements at the Home Treasury on account of Government Expenditure and the Ordinary Remittance, Deposit and Railway Companies' transactions are estimated at £19,415,600 during 1901-1902. Of this, it is proposed to provide £16,500,000 by the sale of Bills on India, and £1,000,000 by the issue of India Stock. The balance of £1,915,600 will be met in the following way, namely:—

(1) £500,000 of the sum spent by the Secretary of State in the purchase of silver this year will be reimbursed to the Home Treasury by a further remittance of gold from India of that amount.

(2) It is estimated that a sum of £304,000 will be recovered from the Imperial Government on account of the expenditure incurred in India in connection with the China Expeditionary Force and the war in South Africa.

(3) The cash balance of the Home Treasury will be drawn upon to the extent of £1,111,600. As stated in paragraph 278, the balance on the 1st April 1901 is estimated at £3,717,543. The reduction of this amount taken in the Budget Estimate provides for a closing cash balance of £2,605,943 on the 31st March 1902.

1901-1902. Temporary Loans.

285. No increase to the Temporary Debt is contemplated, but it is proposed to issue India Bills for £5,000,000 during 1901-1902 to replace Bills of a corresponding amount which will fall due.

286. The Budget programme of the Secretary of State's drawings on India and of the transactions in connection with the Government Sterling Debt is announced with the usual reservation, and no pledge is given that it will be adhered to.

INDIA.

287. The following is a summary of the Estimates of Ways and Means in India during 1900-1901 and 1901-1902 :—

	1900-1901.				1901-1902.	
	Budget Estimate.		Revised Estimate.		Budget Estimate.	
	Rupee figures.	Equivalent in £ at R15 = £1.	Rupee figures.	Equivalent in £ at R15 = £1.	Rupee figures.	Equivalent in £ at R15 = £1.
Receipts.	R	£	R	£	R	£
1. Excess of Revenue over Expenditure	25,84,78,000	17,231,800	27,60,27,000	18,60,1,800	27,65,73,000	18,438,200
2. Rupee Loan	3,00,00,000	2,000,000	3,00,00,000	2,000,000	2,00,00,000	1,333,300
3. Temporary Debt	...	...	45,2[illegible],000	301,[illegible]00	—45,29,000	—301,900
4. Unfunded Debt, mostly Savings Banks Deposits (net)	29,70,000	198,000	55,56,000	370,5[illegible]0	75,38,000	502,500
5. Profits of Rupee coinage transferred to the Gold Reserve Fund	...	...	43[illegible],50,000	2,930,000	...	...
6. Other Items (*net*)	39,10,000	260,600	64,33,000	428,900	1,76,59,000	1,177,200
7. Remittances from Secretary of State—						
(*a*) *Purchase of Silver in England*	...	...	9,04,95,000	6,033,000	...	...
(*b*) *Other Remittances* (*net*)	1,15,29,000	768,600	48,85,000	325,700	29,08,000	193,900
Add—Opening Balance	13,23,20,040	8,821,369	12,53,87,405	8,425,827	16,23,41,405	10,822,727
Total	43,92,07,040	29,[illegible],369	59,12,62,405	39,417,627	48,24,90,405	32,165,927
Outgoings.						
8. Excess Expenditure charged to Provincial Balances	82,59,000	550,600	—3,87,000	—25,800	27,40,000	182,600
9. Capital Outlay on State Railways and Irrigation Works	95,62,000	637,500	1,79,28,000	1,195,200	1,80,33,000	1,202,200
10. *Issues to Railway Companies for Capital Outlay* (*net*)	1,23,23,000	821,600	1,54,72,000	1,031,500	1,55,81,000	1,038,800
11. Rupee Debt discharged	15,50,000	103,300	14,50,000	96,700	14,00,000	93,300
12. Payments of Gold Reserve Fund for Investment	...	...	1,80,00,000	1,200,000	2,00,00,000	1,333,300
13. Loans to Municipalities, etc. (net)	90,52,000	603,400	5,08,41,000	3,389,500	—9,21,000	—61,400
14. Remittances to Secretary of State—						
(*a*) *Railway Companies' Remittances* (*net*)	55,50,000	370,000	84,30,000	562,000	—4,26,000	—28,400
(*b*) *Release of Currency Gold held in England*	75,00,000	500,000	2,25,00,000	1,500,000	...	...
(*c*) *Remittance of Gold from India for purchase of Silver*	...	...	5,98,20,000	3,988,000	75,00,000	500,000
(*d*) *Issues in connection with the War in South Africa and the China Expeditionary Force*	47,60,000	317,300	3,71,91,000	2,479,400	86,26,000	575,000
15. *Council Bills*	24,46,47,000	16,309,800	10,[illegible]6,70,000	13,178,4[illegible]0	25,24,53,000	16,830,200
Add—Closing Balance	13,60,04,040	9,066,309	16,23,41,405	10,822,727	15,75,04,405	10,500,327
Total	43,92,07,040	29,280,369	59,12,62,405	39,417,627	48,24,90,405	32,165,927

The headings in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

288. The actual cash balances in the treasuries on the 1st of April 1900 were less than the amount taken in the Budget Estimate by more than 59 lakhs. The excess of Revenue over the Expenditure chargeable to Revenue is now expected to exceed the amount taken in the Budget Estimate by 2,05 lakhs: the causes of this improvement have been explained in the preceding Sections of this Statement. The expenditure of Local Governments chargeable to Provincial balances will be less than the Budget Estimate by 86 lakhs. The Capital Outlay of the Government shews an increase of about 84 lakhs, and the issues to Railway Companies for Capital Outlay an increase of about 31 lakhs, additional grants having been sanctioned to hasten the progress of Railway Construction. The main points, however, to be noticed in a comparison between the Revised and Budget Estimates of the expiring year are (1) the heavy disbursements on account of loans, principally famine loans to Native States and to agriculturists; (2) the payment of about 3,72 lakhs on account of recoverable expenditure in connection with the Indian contingents employed in China and South Africa on Imperial Service; and (3) the large profit which has accrued on the heavy coinage of rupees. The gain on the last account is estimated at more than 4,39 lakhs, and that amount will be credited to the newly constituted Gold Reserve Fund; but, as explained in paragraph 164 of this Statement, only 1,80 lakhs will be converted into gold during the current year, and this is the amount shewn in the Statement in paragraph 287 as the portion of the Gold Reserve Fund paid for remittance to London. The balance of the profit, 2,59 lakhs, has been temporarily utilized for the grant of famine loans by the Government, but will be paid gradually to the Gold Reserve Fund. In the Revised Estimate the famine loans to Native States are taken at more than 4 crores, while only 75 lakhs were provided in the Budget Estimates. Additional allotments for loans to agriculturists were sanctioned during the year to the extent of 1,22 lakhs. To enable the Government to meet these large additional rupee outgoings it was necessary to curtail the sale of Council Bills during the first nine months of the year. The result is that the payments for Bills are now expected to be less than the Budget Estimate by 4,70 lakhs.

1900-1901. General Summary.

289. This restriction of the Secretary of State's resources, coupled with the heavy disbursements in England for the purchase of silver for coinage, rendered it necessary otherwise to strengthen the Home Treasury balances. This was done partly by the issue of the sterling loan, partly by setting free the whole balance of the gold which the Bank of England held on Currency Account on the 1st of April 1900, namely, £1,500,000, and partly by remittances of gold to England during the course of the year to the extent of about £4,000,000. The gold so remitted has been sold by the Secretary of State and the proceeds credited to the Home Treasury in repayment of the outgoings for the purchase of silver bullion.

290. The pressing demand for rupees caused the Government to purchase in India about 15 lakhs worth of silver for coinage, and over 45 lakhs worth was obtained from the Gwalior Durbar. It was arranged with His Highness the Maharaja Scindia that the value of the silver should be treated as a temporary loan to the Government repayable in full in September 1901. This explains the two entries of ₹45,29,000 against the third line "Temporary Debt" in the table in paragraph 287.

1900-1901. Temporary Debt.

291. In the last Financial Statement it was announced that the Government of India contemplated raising a rupee loan of three crores during 1900-1901. A 3½ per cent loan for this amount was accordingly issued. Tenders were opened on the 4th of July last. The results of the loan were:—

1900-1901. Rupee Loan.

Month of issue.	Amount tendered.	Amount accepted.	Average rate of accepted tenders.
	₹	₹	₹ a p.
July 1900 . .	3,98,10,400	3,00,00,000	94 0 1·17

292. The year 1901-1902 is expected to open with a cash balance of 16,23 lakhs, and the surplus of Revenue in India is estimated at about 27,66 lakhs. The Capital Outlay on State Railways and Irrigation Works is estimated at 1,80 lakhs, the issues to Railway Companies for Capital Outlay at 1,56 lakhs, and the Expenditure chargeable to the Provincial balances of the Local Governments at 27 lakhs. The disbursements on account of the Secretary of State's sales of

1901-1902. Main Features.

Bills on India are estimated at 25,25 lakhs, and it is proposed to pay a further portion, two crores, of the Gold Reserve Fund for remittance to London, in reduction of the balance of 2,59 lakhs mentioned in paragraph 288. Gold of the value of 75 lakhs of rupees will be remitted to England in repayment of the balance of the Secretary of State's outgoings during 1900-1901 for the purchase of silver bullion, and it is estimated that the disbursements in India in connection with the China Expeditionary Force and the troops absent in South Africa will amount to 86 lakhs. The temporary loan from the Gwalior Durbar of 45 lakhs will be repaid. Inclusive of the Deposit and other Remittance transactions of the year, the net outgoings from the treasuries in India are placed at 3,23 lakhs in the Budget Estimate, of which it is expected that about 75 lakhs will be counterbalanced by an increase in the "Unfunded Debt" consisting principally of Savings Bank Deposits. A rupee loan of two crores is entered in the Estimates. The balance of 48 lakhs it is proposed to meet by a reduction in the cash balances.

Savings Banks, etc.

293. The following table gives the details of the transactions of Savings Banks during the last few years and the estimated transactions for 1900-1901 and 1901-1902:—

Year.	Net additions to deposits, cash.	Interest.	Total addition.
	₹	₹	₹
1892-93	54,89,000	33,94,000	88,83,000
1893-94	17,99,000	36,80,000	54,79,000
1894-95	— 8,45,000	29,70,000	21,25,000
1895-96	24,77,000	33,85,000	58,62,000
1896-97	—58,11,000	34,66,000	—23,45,000
1897-98	—65,71,000	32,70,000	—33,01,000
1898-99	— 8,84,000	32,29,000	23,45,000
1899-1900	1,40,000	33,48,000	34,88,000
1900-1901, Budget	—12,31,000	35,17,000	22,86,000
1900-1901, Revised	14,86,000	34,80,000	49,66,000
1901-1902, Budget	31,33,000	36,46,000	67,79,000

294. The Savings Bank Accounts consist mainly of the Post Office Banks, but the transactions of the various departmental Provident Funds and the Regimental Savings Banks are also included.

295. In preparing the Budget Estimate of the current year, a net withdrawal from the Post Office Savings Banks of 20 lakhs, apart from interest, was assumed, but the transactions of the first eight months of the year resulted in a net increase in the deposits of over 30 lakhs, and allowing for withdrawals usually made in the closing months of the year, it is now expected that there will be an increase in the net deposits of over 9 lakhs on account of the Post Office Banks.

296. The cessation of famine is likely to lead to larger deposits in the Post Office Savings Banks in the immediate future, and in the Budget Estimates of 1901-1902 a net deposit of 20 lakhs, apart from interest, is anticipated.

297. The other Savings Bank Accounts included in the figures in the above table do not shew any important variations.

Loans by Government.

298. The transactions during the year 1900-1901 under the head of Loans granted by the Government were seriously affected by the famine. The net disbursements are now expected to amount to ₹5,08,41,000 against ₹90,52,000 entered in the Budget Estimate

299. The total provision for loans next year is taken at 1,10 lakhs, but the recoveries are expected to exceed this amount by about 9 lakhs, due to the repayments in connection with the heavy disbursements made during the current year. Of the gross provision of 1,10 lakhs, a sum of 45 lakhs is for agricultural advances in the Bombay Presidency, where famine lingers.

1901 1902. New Rupee Loan.

300. According to the programme now announced, it is the intention of the Government of India to raise a new loan in India of two crores of rupees, but full liberty is reserved, as usual, to vary the programme, as now announced, to any extent that may be considered desirable.

Section VIII.—Summary.

301. The principal features in this Statement are :—

(*a*) The Accounts of 1899-1900 closed with a surplus of £2,774,623.

(*b*) 1900-1901—

(1) The Revised Estimates of 1900-1901 show a total Revenue of £75,166,000, a total Expenditure charged to Revenue of £73,525,600, and a surplus of £1,640,400, an amount higher by £1,480,100 than the surplus estimated last March.

(2) There has been a very large coinage of rupees in the current year, which will amount to about 17 crores in the 12 months. The gross profits on the coinage amount to £3,055,000 and are shown as a Mint Receipt. But this does not affect the surplus as it has been decided to devote the profits to the formation of a Gold Reserve Fund, and the net profits, £2,930,000, are shown as a Mint charge for transfer to the Gold Reserve Fund. Of this, the amount held in gold for investment is £1,200,000 leaving a balance of £1,730,000 to be converted into gold gradually as surplus receipts allow.

(3) The expenditure on Famine Relief has exceeded the Budget Estimate by £880,000, and the collections of Land Revenue, Provincial Rates and Tributes have fallen short of the Budget Estimate by £474,000.

(4) The Army Expenditure has been less than the Budget Estimate by nearly £1,200,000, chiefly in consequence of the absence of troops in China and South Africa.

(5) The Opium Revenue has exceeded the Budget Estimate by over £500,000. The net Railway traffic earnings have exceeded the Estimate by over £500,000. And Irrigation and most other heads of Revenue also yield substantial increases.

(6) Loans to Native States affected by famine exceeding 4 crores of rupees, and additional allotments for agricultural advances amounting to 122 lakhs were sanctioned during the year.

(7) A loan of £3,000,000 was issued in England and a loan of three crores of rupees in India.

(8) The drawings of Council Bills in 1900-1901 are now expected to be £13,500,000, as compared with the Budget Estimate of £16,440,000.

(*c*) 1901-1902—

(1) The Budget Estimates of 1901-1902 show a total Revenue of £72,191,900, a total Expenditure charged to Revenue of £71,501,000, and a surplus of £690,900.

(2) Though it is probable that coinage of rupees will be necessary next year, nothing is entered in the Estimates on this account, as the amount of the coinage is uncertain and the entries would not affect the surplus. It is hoped that £1,333,300 of the arrear profits of coinage balance of £1,730,000 will be converted into gold for remittance before the end of the year.

(3) The expenditure on Famine Relief will amount to about a crore of rupees, almost all in Bombay. As the Famine Insurance Grant will be maintained at the fixed sum of $1\frac{1}{2}$ crores or £1,000,000, the saving under this head, as compared with the Budget Estimate of 1900-1901, will amount to $3\frac{1}{2}$ crores of rupees or $2\frac{1}{3}$ millions sterling.

(4) The net Railway traffic earnings, and the other Revenue heads are expected to yield two crores of rupees or $1\frac{1}{3}$ millions sterling more than in the Budget Estimate for 1900-1901.

(5) Grants to Local Governments in aid of Provincial Revenues exceeding £1,000,000, new Military Expenditure exceeding £1,000,000, and other considerable increases of expenditure have been sanctioned.

(6) Subject to the usual reservations, loans of £1,000,000 in England and of two crores of rupees in India are announced as contemplated for capital expenditure on Railway and Irrigation Works, and the drawings of Council Bills are entered at £16,500,000.

(*d*) The following table shows the capital expenditure on Railways and Irrigation Works:—

RAILWAYS.	Accounts, 1899-1900. R	Revised Estimate, 1900-1901. R	Budget Estimate, 1901-1902. R
Included in the Government Programme	8,96,77,803	8,30,75,000	10,32,44,000
Branch lines not on firm guarantee	37,63,193	5,80,000	3,92,000
Railways outside Government accounts	54,14,500	37,15,000	53,62,000
Provincial and Local State lines .	35,345	2,73,000	12,36,000
TOTAL RAILWAYS .	9,88,90,841	8,76,43,000	11,02,34,000
Irrigation Works . . .	89,69,400	90,08,000	1,00,00,000

March 20, 1901.

J. F. FINLAY.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

Accounts	1899-1900
Revised Estimates . . .	1900-1901
Budget Estimates . . .	1901-1902

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	For details, *vide* Statement.	Accounts, 1899-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
Revenue—					
Principal Heads of Revenue—		£	£	£	£
Land Revenue	A	17,205,056	18,078,700	17,695,800	18,170,600
Opium	„	4,401,982	4,559,800	5,132,000	4,542,700
Salt	„	5,850,463	5,845,100	5,951,100	5,937,900
Stamps	„	3,265,476	3,267,400	3,343,700	3,347,300
Excise	„	3,859,942	3,819,300	3,957,000	3,967,100
Customs	„	3,133,791	3,134,200	3,324,100	3,188,000
Other Heads	„	5,937,620	6,019,000	6,039,900	6,223,300
TOTAL PRINCIPAL HEADS	...	43,654,330	44,723,500	45,443,600	45,376,900
Interest	A	605,815	627,300	646,400	682,300
Post Office	„	1,308,315	1,320,500	1,353,600	1,338,200
Telegraph	„	832,673	804,200	890,100	834,200
Mint	„	345,091	272,800	3,078,500	32,500
Receipts by Civil Departments	„	1,185,044	1,177,500	1,238,000	1,209,700
Miscellaneous	„	557,826	544,200	526,500	573,800
Railways	„	16,587,845	17,131,500	18,096,200	18,427,600
Irrigation	„	2,399,862	2,406,200	2,613,900	2,486,500
Other Public Works	„	440,880	443,900	445,100	440,400
Receipts by Military Department	„	719,483	704,200	834,100	789,800
TOTAL REVENUE	...	68,637,164	70,155,800	75,166,000	72,191,900

H. J. BRERETON,
Deputy Comptroller General.

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT
March 20, 1901.

Revenue of the Government of India, in India and in England.

	For details, *vide* State-ment.	Accounts, 1899-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
Expenditure—		£	£	£	£
Direct Demands on the Revenues	B	7,424,787	7,657,100	7,608,200	7,769,800
Interest	„	1,948,098	1,961,800	2,162,600	2,099,400
Post Office	„	1,182,247	1,247,700	1,229,500	1,289,900
Telegraph	„	726,782	811,500	808,000	873,400
Mint	„	55,908	51,900	3,016,600	68,500
Salaries and Expenses of Civil Departments	„	10,782,588	11,089,600	10,965,600	11,458,800
Miscellaneous Civil Charges	„	4,052,531	3,934,100	4,008,600	4,132,500
Famine Relief and Insurance	„	2,098,848	3,368,300	4,245,000	1,000 000
Railway Revenue Account	„	16,511,089	17,616,900	17,940,000	18,592,400
Irrigation	„	2,263,475	2,300,400	2,306,000	2,405,500
Other Public Works	„	4,137,008	4,248,000	4,129,700	4,858,100
Army Services	„	14,885,226	16,258,800	15,073,200	17,135,300
Special Defence Works	„	874	...	6,800	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	66,068,761	70,546,100	73,499,800	71,683,600
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year.	End of B	296,754	...	122,000	315,100
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances.	„	*502,974*	*550,600*	*96,200*	*497,700*
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	...	65,862,541	69,995,500	73,525,600	71,501,000
SURPLUS	...	2,774,623	160,300	1,640,400	690,900
TOTAL	...	68,637,164	70,155,800	75,166,000	72,191,900

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1899-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
		£	£	£	£
Surplus	C	2,774,623	160,300	1,640,400	690,900
Railway and Irrigation Capital not charged to Revenue—					
Capital raised and deposited by Railway Companies (Net)	C	872,238	2,054,200	1,230,000	1,663,400
Debt, Deposits, and Advances—					
Permanent Debt (net Incurred)	C	...	7,819,100	10,825,700	2,240,000
Temporary Debt (net Incurred)	„	...	500,000	801,900	...
Unfunded Debt (net Incurred)	„	274,078	198,000	370,500	502,500
Deposits and Advances (net)	„	...	...	2,025,000	...
Loans and Advances by Imperial Government (net Repayments)	„	...	...	...	111,200
Loans and Advances by Provincial Governments (net Repayments)	„	...	...	...	...
Capital Account of Local Boards	„	...	...	19,600	...
Remittances (net)	„	217,396	118,800	...	...
Secretary of State's Bills drawn	„	19,067,022	16,440,000	13,500,000	16,500,000
TOTAL RECEIPTS	...	23,205,357	27,290,400	30,413,100	21,708,000
Opening Balance—India	...	11,177,669	8,821,369	8,425,827	10,822,727
England	...	3,145,768	2,223,668	3,330,943	3,717,543
TOTAL	...	37,528,794	38,335,437	42,169,870	36,248,270

H. J. BRERETON,
Deputy Comptroller General.

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
March 20, 1901.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1899-1900.	Budget Estimate, 1900-1901.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
		£	£	£	£
Railway and Irrigation Capital not charged to Revenue—					
Outlay on Irrigation Works	C	597,960	666,700	600,500	666,700
Outlay on State Railways	„	2,437,712	884,300	1,249,500	2,019,400
Outlay of Railway Companies (net)	„	2,596,190	2,572,900	2,328,700	2,709,500
Charge involved in Redemption of Railway Liabilities	„	...	5,922,100	5,922,400	...
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	5,631,862	10,046,300	10,101,100	5,395,600
Debt, Deposits, and Advances—					
Permanent Debt (net Discharged)	C	121,298	...	...	...
Temporary Debt (net Discharged)	„	...	...	...	301,900
Deposits and Advances (net)	„	455,244	287,500	...	267,100
Loans and Advances by Imperial Government (net Advances)	„	706,194	503,100	2,665,500	...
Loans and Advances by Provincial Governments (net Advances)	„	153,665	100,300	724,000	49,800
Capital Account of Local Boards	„	...	...	...	19,600
Remittances (net)	„	...	...	960,600	277,800
Secretary of State's Bills paid	„	18,703,761	16,309,800	13,178,400	16,830,200
TOTAL DISBURSEMENTS	...	25,772,024	27,247,000	27,629,600	23,142,000
Closing balance—India	...	8,425,827	9,066,869	10,822,727	10,500,327
England	...	3,330,943	2,021,568	3,717,543	2,605,943
TOTAL	...	37,528,794	38,335,437	42,169,870	36,248,270

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

A.—*Statement of the Revenue of*

HEADS OF REVENUE.	ACCOUNTS, 1899-1900.					REVISED	
	INDIA. (Rupee Figures.)		Total India (converted into £ at R15=£1).	England.	Total.	INDIA. (Rupee Figures.)	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
Principal Heads of Revenue—	R	R	£	£	£	R	R
I.—Land Revenue	14,29,00,724	11,51,75,117	17,205,056	...	17,205,056	14,23,29,000	12,31,08,000
II.—Opium	6,60,29,731	...	4,401,982	...	4,401,982	7,69,79,000	...
III.—Salt	8,68,24,947	9,31,997	5,850,463	...	5,850,463	8,84,06,000	8,60,000
IV.—Stamps	1,25,[illegible],035	3,64,52,116	3,265,476	...	3,265,476	1,28,08,000	3,73,48,000
V.—Excise	3,89,72,524	1,89,26,601	3,859,942	...	3,859,942	3,97,95,000	1,95,60,000
VI.—Provincial Rates	18,0[illegible]	3,74,63,688	2,498,783	...	2,498,783	6,000	3,84,21,000
VII.—Customs	4,64,96,306	5,10,556	3,133,791	...	3,133,791	4,93,12,000	5,50,000
VIII.—Assessed Taxes	1,08,92,463	86,11,953	1,300,295	...	1,300,295	1,09,85,000	86,35,000
IX.—Forest	94,95,720	90,35,660	1,235,425	...	1,235,425	98,33,000	93,62,000
X.—Registration	21,69,031	21,52,299	288,089	...	288,089	23,49,000	23,34,000
XI.—Tributes from Native States	92,25,416	...	615,028	...	615,028	86,75,000	...
TOTAL	42,55,54,960	22,92,59,987	43,654,330	...	43,654,330	44,14,77,000	24,01,78,000
XII.—Interest	62,24,865	21,22,361	556,481	49,334	605,815	71,06,000	18,25,000
XIII.—Post Office	1,94,93,669	1,31,053	1,308,315	...	1,308,315	2,01,92,000	1,12,000
XIV.—Telegraph	1,23,93,431	...	826,229	6,444	832,673	1,32,00,000	...
XV.—Mint	51,76,185	...	345,079	12	345,091	4,61,77,000	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	74,089	34,66,173	236,017	...	236,017	63,000	34,07,000
XVI.—Law and Justice { Jails	3,24,898	30,78,684	226,905	...	226,905	3,00,000	33,44,000
XVII.—Police	12,878	42,49,965	284,190	...	284,190	12,000	44,71,000
XVIII.—Marine	5,45,802	15,01,013	136,454	...	136,454	5,71,000	17,43,000
XIX.—Education	23,966	23,50,931	158,326	...	158,326	24,000	24,40,000
XX.—Medical	1,906	9,13,809	61,048	1,521	62,569	3,000	9,10,000
XXI.—Scientific and other Minor Departments	1,40,132	10,61,209	80,090	493	80,583	1,18,000	11,36,000
TOTAL	11,23,671	1,66,21,784	1,183,030	2,014	1,185,044	10,91,000	1,74,51,000
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	12,04,252	5,16,780	114,735	90,026	204,761	11,58,000	4,97,000
XXIII.—Stationery and Printing	4,00,304	4,94,578	59,659	...	59,659	4,04,000	5,01,000
XXIV.—Exchange	...	...	...	...	...	...	...
XXV.—Miscellaneous	10,28,776	33,44,943	291,581	1,825	293,406	7,97,000	32,13,000
TOTAL	26,33,332	43,56,301	465,975	91,851	557,826	23,59,000	42,11,000
Railways—							
XXVI.—State Railways (Gross Receipts)	21,92,38,357	5,56,539	14,652,993	230	14,653,223	25,26,85,000	3,30,000
XXVII.—Guaranteed Companies (Net Traffic Receipts)	2,86,08,228	...	1,907,215	...	1,907,215	1,80,36,000	...
XXVIII.—Subsidized Companies (Repayment of Advances of Interest)	3,95,755	...	26,384	1,023	27,407	3,65,000	...
TOTAL	24,82,42,340	5,56,539	16,586,592	1,253	16,587,845	27,10,86,000	3,30,000
Irrigation—							
XXIX.—Major Works: Direct Receipts	1,64,78,163	71,99,775	1,578,529	...	1,578,529	1,83,56,000	74,02,000
Portion of Land Revenue due to Irrigation	1,00,52,606	...	670,174	...	670,174	1,09,59,000	...
XXX.—Minor Works and Navigation	6,59,569	16,07,814	151,159	...	151,159	8,77,000	16,14,000
TOTAL	2,71,90,338	88,07,589	2,399,862	...	2,399,862	3,01,92,000	90,16,000
Other Public Works—							
XXXI.—Military Works	5,21,705	...	34,780	...	34,780	5,43,000	...
XXXII.—Civil Works	1,09,921	55,45,706	377,042	29,058	406,100	1,30,000	56,21,000
TOTAL	6,31,626	55,45,706	411,822	29,058	440,880	6,73,000	56,21,000
Receipts by Military Department—							
XXXIII.—Army: Effective	86,56,127	...	577,075	66,015	643,090	1,11,18,000	...
Non-Effective	8,82,459	...	58,831	17,562	76,393	8,64,000	...
TOTAL	95,38,586	...	635,906	83,577	719,483	1,19,82,000	...
TOTAL REVENUES	75,82,03,003	26,74,01,320	68,373,621	263,543	68,637,164	84,55,35,000	27, 87,44,000

India, in India and in England.

ESTIMATE, 1900-1901.			Increase+ Decrease— of Revised, as compared with Budget Estimates, 1900-1901.	BUDGET ESTIMATE, 1901-1902.					Increase + Decrease — of Budget, 1901-1902, as compared with Budget Estimates, 1900-1901.	Increase + Decrease — of Budget, 1901-1902, as compared with Revised Estimates, 1900-1901.
				India. (Rupee Figures.)						
Total India (converted into £ at R15=£1).	England.	Total.		Imperial.	Provincial and Local.	Total India (converted into £ at R15=£1).	England.	Total.		
£	£	£	£	₹	₹	£	£	£	£	£
17,695,800	...	17,695,800	—382,900	13,95,43,000	13,30,16,000	18,170,600	...	18,170,600	+91,900	+474,800
5,132,000	...	5,132,000	+572,200	6,81,40,000	...	4,542,700	...	4,542,700	—17,100	—589,300
5,951,100	...	5,951,100	+106,000	8,81,97,000	8,71,000	5,937,900	...	5,937,900	+92,800	—13,200
3,343,700	...	3,343,700	+76,300	1,28,39,000	3,73,70,000	3,347,300	...	3,347,300	+79,900	+3,600
3,957,000	...	3,957,000	+137,700	3,99,09,000	1,95,97,000	3,967,100	...	3,967,100	+147,800	+10,100
2,561,800	...	2,561,800	—51,200	...	4,08,39,000	2,722,600	...	2,722,600	+109,600	+160,800
3,324,100	...	3,324,100	+189,900	4,72,72,000	5,49,000	3,188,000	...	3,188,000	+53,800	—136,100
1,308,000	...	1,308,000	+2,800	1,09,21,000	86,38,000	1,304,000	...	1,304,000	—1,200	—4,000
1,279,600	...	1,279,600	+90,800	96,39,000	91,78,000	1,254,400	...	1,254,400	+65,600	—25,200
312,200	...	312,200	+18,700	22,69,000	22,52,000	301,400	...	301,400	+7,900	—10,800
578,300	...	578,300	—40,200	96,13,000	...	640,900	...	640,900	+22,400	+62,600
45,443,600	...	45,443,600	+720,100	42,83,42,000	25,23,10,000	45,376,900	...	45,376,900	+653,400	—66,700
595,400	51,000	646,400	+19,100	80,61,000	20,24,000	672,300	10,000	682,300	+55,000	+35,900
1,353,600	...	1,353,600	+33,100	1,99,67,000	1,07,000	1,338,200	...	1,338,200	+17,700	—15,400
880,000	10,100	890,100	+85,900	1,24,50,000	...	830,000	4,200	834,200	+30,000	—55,900
3,078,500	...	3,078,500	+2,805,700	4,87,000	...	32,500	...	32,500	—240,300	—3,046,000
231,300	...	231,300	—15,600	68,000	34,57,000	235,000	...	235,000	—11,900	+3,700
242,900	...	242,900	+28,400	3,25,000	30,71,000	226,400	...	226,400	+11,900	—16,500
298,900	...	298,900	+8,700	13,000	44,34,000	296,500	...	296,500	+6,300	—2,400
154,300	...	154,300	+39,300	2,35,000	16,83,000	127,900	...	127,900	+12,900	—26,400
164,200	...	164,200	+5,200	21,000	25,01,000	168,100	...	168,100	+9,100	+3,900
60,900	1,500	62,400	+1,600	3,000	9,30,000	62,200	1,500	63,700	+2,900	+1,300
83,600	400	84,000	—7,100	1,22,000	12,56,000	91,800	300	92,100	+1,000	+8,100
1,236,100	1,900	1,238,000	+60,500	7,87,000	1,73,32,000	1,207,900	1,800	1,209,700	+32,200	—28,300
110,300	85,500	195,800	—7,500	11,53,000	5,23,000	111,800	84,500	196,300	—7,000	+500
60,400	...	60,400	+4,500	3,98,000	5,15,000	60,900	...	60,900	+5,000	+500
...	...	...	—12,100	2,40,000	...	16,000	...	16,000	+3,900	+16,000
267,300	3,000	270,300	—2,600	12,49,000	32,23,000	298,100	2,500	300,600	+27,700	+30,300
438,000	88,500	526,500	—17,700	30,40,000	42,61,000	486,800	87,000	573,800	+29,600	+47,300
16,867,700	200	16,867,900	+955,500	26,08,11,000	3,20,000	17,408,700	200	17,408,900	+1,496,500	+541,000
1,202,400	...	1,202,400	+10,800	1,47,75,000	...	985,000	...	985,000	—206,600	—217,400
24,300	1,600	25,900	—1,600	4,90,000	...	32,700	1,000	33,700	+6,200	+7,800
18,094,400	1,800	18,096,200	+964,700	27,60,76,000	3,20,000	18,426,400	1,200	18,427,600	+1,296,100	+331,400
1,717,200	...	1,717,200	+179,000	1,66,56,000	67,87,000	1,562,900	...	1,562,900	+24,700	—154,300
730,600	...	730,600	+19,200	1,13,33,000	...	755,500	...	755,500	+44,100	+24,900
166,100	...	166,100	+9,500	9,46,000	15,76,000	168,100	...	168,100	+11,500	+2,000
2,613,900	...	2,613,900	+207,700	2,89,35,000	83,63,000	2,486,500	...	2,486,500	+80,300	—127,400
36,200	...	36,200	+1,100	5,42,000	...	36,100	...	36,100	+1,000	—100
383,400	25,500	408,900	+100	1,13,000	55,67,000	378,700	25,600	404,300	—4,500	—4,600
419,600	25,500	445,100	+1,200	6,55,000	55,67,000	414,800	25,600	440,400	—3,500	—4,700
741,200	18,300	759,500	+128,900	69,82,000	...	465,500	248,300	713,800	+83,200	—45,700
57,600	17,000	74,600	+1,000	8,63,000	...	57,500	18,500	76,000	+2,400	+1,400
798,800	35,300	834,100	+129,900	78,45,000	...	523,000	266,800	789,800	+85,600	—44,300
74,951,900	214,100	75,166,000	+5,010,200	78,66,45,000	29,02,84,000	71,795,300	396,600	72,191,900	+2,036,100	—2,974,100

B.—*STATEMENT of the EXPENDITURE charged to the*

HEADS OF EXPENDITURE.	ACCOUNTS, 1899-1900. India. (Rupee figures). Imperial.	India. (Rupee figures). Provincial and Local.	Total India (converted into £ at R15=£1).	England.	Total.	REVISED India. (Rupee figures). Imperial.	Provincial and Local.
Direct Demands on the Revenues—	₹	₹	£	£	£	₹	₹
1.—Refunds and Drawbacks	20,21,886	8,34,147	190,402	...	190,402	23,09,000	8,55,000
2.—Assignments and Compensations	53,23,362	1,05,42,025	1,057,692	...	1,057,692	50,67,000	1,04,38,000
Charges in respect of Collection, *viz.*:—							
3.—Land Revenue	10,68,201	4,01,53,204	2,748,094	645	2,748,739	11,24,000	4,13,34,000
4.—Opium (including cost of Production)	2,58,77,224	...	1,725,148	2,006	1,727,154	2,63,38,000	...
5.—Salt (including cost of Production)	43,56,225	4,10,522	331,116	640	331,756	46,52,000	4,12,000
6.—Stamps	—2,95,991	12,46,610	63,375	37,914	101,289	—3,30,000	14,18,000
7.—Excise	16,00,922	8,21,905	161,509	...	161,509	16,26,000	8,26,000
8.—Provincial Rates	...	5,31,917	35,461	...	35,461	...	5,17,000
9.—Customs	8,48,478	14,57,698	153,745	208	153,953	8,50,000	15,82,000
10.—Assessed Taxes	1,66,694	1,05,670	22,153	...	22,153	1,70,000	1,66,000
11.—Forest	56,26,783	51,63,513	719,353	10,822	730,175	57,94,000	53,26,000
12.—Registration	12,31,412	12,25,567	163,799	...	163,799	12,84,000	12,78,000
TOTAL	4,80,24,996	6,25,52,778	7,371,852	52,235	7,424,087	4,94,44,000	6,41,52,000
Interest—							
13.—Interest on Debt	3,18,57,742	71,69,855	2,601,839	4,072,798	6,674,637	3,34,22,000	74,28,000
Deduct—Amounts chargeable to Railways†	4,50,90,125	...	3,006,008	1,178,527	4,184,535	4,65,82,000	...
„ Amounts chargeable to Irrigation	78,23,948	56,27,288	896,749	...	896,749	81,72,000	56,55,000
Remainder chargeable on Ordinary Debt	—2,10,56,331	15,42,567	—1,300,918	2,894,271	1,593,353	—2,13,32,000	17,73,000
14.—Interest on other Obligations	52,73,525	46,374	354,660	85	354,745	54,11,000	44,000
TOTAL	—1,57,82,806	15,88,941	—946,258	2,894,356	1,948,098	—1,59,21,000	18,17,000
15.—Post Office	1,50,20,978	12,82,255	1,086,882	95,365	1,182,247	1,56,50,000	13,31,000
16.—Telegraph	83,11,045	...	554,070	172,712	726,782	84,20,000	...
17.—Mint	7,98,260	...	53,214	2,694	55,908	4,50,90,000	...
Salaries and Expenses of Civil Departments—							
18.—General Administration	66,01,165	93,59,636	1,064,053	320,023	1,384,076	66,40,000	95,79,000
19.—Law and Justice { Courts	2,69,398	3,09,44,135	2,080,902	769	2,081,671	2,50,000	3,16,37,000
19.—Law and Justice { Jails	14,60,308	87,99,380	684,013	...	684,013	16,00,000	1,03,19,000
20.—Police	6,99,680	4,20,63,047	2,850,848	448	2,851,296	6,44,000	4,30,38,000
21.—Marine (including River Navigation)	12,86,654	18,02,169	205,922	327,970	533,892	15,94,000	19 64,000
22.—Education	1,76,664	1,60,87,939	1,084,267	1,852	1,086,119	1,76,000	1,61,72,000
23.—Ecclesiastical	17,07,796	...	113,853	211	114,004	17,18,000	...
24.—Medical	5,21,040	1,34,72,632	932,915	11,689	944,604	4,01,000	1,36,89,000
25.—Political	97,71,013	6,97,126	697,876	23,960	721,836	76,12,000	7,94,000
26.—Scientific and other Minor Departments	31,37,337	21,46,343	352,245	28,772	381,017	39,52,000	22,38,000
TOTAL	2,56,30,455	12,53,72,957	10,066,894	715,694	10,782,588	2,45,87,000	12,94,30,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	39,83,365	...	265,558	11,452	277,010	39,21,000	...
28.—Civil Furlough and Absentee Allowances	9,660	...	644	282,831	283,525	8,000	...
29.—Superannuation Allowances and Pensions	8,12,716	1,02,73,290	739,067	1,965,402	2,704,469	7,98,000	1,05,87,000
30.—Stationery and Printing	12,76,607	55,16,203	452,854	59,700	512,554	10,79,000	57,81,000
31.—Exchange	12,14,240	...	80,949	...	80 949	49,000	...
32.—Miscellaneous	4,01,558	19,65,978	157,835	36,189	194,024	6,53,000	23,08,000
TOTAL	76,98,146	1,77,55,471	1,696,907	2,355,624	4,052,531	65,08,000	1,86,76,000
Famine Relief and Insurance—							
33.—Famine Relief	3,06,22,931	4,45,090	2,071,201	3,717	2,074,918	6,26,39,000	6,19,000
34.—Construction of Protective Railways	...	...	...	...	...	...	...
35.—Construction of Protective Irrigation Works	3,58,946	...	23,930	...	23,930	2,99,000	...
36.—Reduction or Avoidance of Debt	...	...	...	...	...	...	...
TOTAL††	3,09,81,877	4,45,090	2,095,131	3,717	2,008,848	6,29,38 000	6,19,000
Carried over	12,06,82,007	20,89,97,492	21,078,602	6,292 307	28,271,089	19 07,16,000	21,60 25,000

† Included under the following heads:—

	Accounts, 1899-1900. India. Amount in Rupees.	India. Equivalent in £ at R15=£1	England.	Total.	Revised Estimate, 1900-1901. India. Amount i Rupees.	India. Equivalent in £ at R15=£1.	England.	Total.
	₹	£	£	£	₹	£	£	£
State Railways Interest on Debt	4,32,84,572	2,8 5,638	952,043	3,845,681	4,13,11,000	2,901,800	1,054,000	4,014,800
Interest chargeable against Companies on Advances	18,05,553	120,370	218,814	339,254	21,71,000	144,709	218,900	363,600
TOTAL	4,50,90,125	3,006,008	1,178,527	4,184,535	4,34,82,000	3,105,500	1,272 900	4,378,400

Revenues of India, in India and in England.

ESTIMATE, 1900-1901.			Increase+ Decrease — of Revised, as compared with Budget Estimates, 1900-1901.	BUDGET ESTIMATE, 1901-1902.					Increase + Decrease — of Budget, 1901-1902, as compared with Budget Estimates, 1900-1901.	Increase+ Decrease — of Budget, 1901-1902, as compared with Revised Estimates, 1900-1901.
Total India (converted into £ at R15=£1).	England.	TOTAL.		INDIA (RUPEE FIGURES). Imperial.	Provincial and Local.	Total India (converted into £ at R15=£1).	England.	TOTAL.		
£	£	£	£	R	R	£	£	£	£	£
214,900	...	214,900	+23,600	20,76,000	8,01,000	191,800	...	191,800	+ 500	—23,100
1,033,700	...	1,033,700	—18,800	52,63,000	1,04,85,000	1,049,900	...	1,049,900	—2,600	+16,200
2,830,600	400	2,831,000	—42,900	12,49,000	4,28,57,000	2,940,400	600	2,941,000	+67,100	+110,000
1,789,200	2,100	1,791,300	+20,500	2,65,38,000	...	1,769,200	2,600	1,771,800	+1,000	—19,500
337,600	500	338,100	—15,100	49,75,000	4,39,000	360,900	700	361,600	+8,400	+23,500
72,500	30,000	102,500	+9,700	—3,30,000	14,39,000	73,900	32,100	106,000	+13,200	+3,500
163,400	100	163,500	—11,400	17,35,000	8,96,000	175,400	...	175,400	+500	+11,900
34,500	...	34,500	—9,900	...	7,56,000	50,400	...	50,400	+6,000	+15,900
162,100	200	162,300	+5,300	8,54,000	16,11,000	164,300	400	164,700	+7,700	+2,400
22,400	...	22,400	—500	1,83,000	1,81,000	24,300	...	24,300	+1,400	+1,900
741,300	1,900	743,200	—8,700	59,43,000	54,44,000	759,100	1,200	760,300	+8,400	+17,100
170,800	...	170,800	—700	12,97,000	12,91,000	172,600	...	172,600	+1,100	+1,800
7,573,000	35,200	7,608,200	—48,900	4,97,83,000	6,62,00,000	7,732,200	37,600	7,769,800	+112,700	+161,600
2,723,400	4,375,500	7,098,900	+204,500	3,48,85,000	76,45,000	2,835,300	4,386,000	7,221,300	+326,900	+122,400
3,105,500	*1,272,900*	*4,378,400*	—9,700	*4,77,30,000*	...	*3,182,400*	*1,366,900*	*4,549,300*	—180,600	—170,900
921,800	...	*921,800*	+1,400	*85,70,000*	*56,70,000*	*949,300*	...	*949,300*	—26,100	—27,500
-1,303,900	3,102,600	1,798,700	+196,200	-2,14,21,000	19,75,000	-1,296,400	3,019,100	1,722,700	+120,200	—76,000
363,700	200	363,900	+4,600	56,04,000	43,000	376,500	200	376,700	+17,400	+12,800
—940,200	3,102,800	2,162,600	+200,800	-1,58,17,000	20,18,000	—919,900	3,019,300	2,099,400	+137,600	—63,200
1,132,100	97,400	1,229,500	—18,200	1,65,05,000	13,73,000	1,191,900	98,000	1,289,900	+42,200	+60,400
561,300	246,700	808,000	—3,500	92,00,000	...	613,300	260,100	873,400	+61,900	+65,400
3,006,000	10,600	3,016,600	+2,964,700	7,74,000	...	51,600	16,900	68,500	+16,600	—2,948,100
1,081,300	255,400	1,336,700	+19,700	66,69,000	95,15,000	1,078,900	252,490	1,331,300	+14,300	—5,400
2,125,800	300	2,126,100	+1,900	2,69,000	3,20,88,000	2,157,100	700	2,157,800	+33,600	+31,700
794,600	...	794,600	+60,400	15,02,000	96,45,000	743,100	...	743,100	+8,900	—51,500
2,912,109	1,300	2,913,400	—18,100	6,60,000	4,50,59,000	3,047,900	900	3,048,800	+117,300	+135,400
237,200	364,600	601,800	+18,700	16,75,000	20,80,000	250,300	288,600	538,900	—44,200	—62,900
1,089,900	2,600	1,092,500	—34,300	1,79,000	1,74,09,000	1,172,600	1,700	1,174,300	+47,500	+81,800
114,500	600	115,100	—6,500	18,43,000	...	122,900	400	123,300	+1,700	+8,200
939,300	5,700	945,000	—8,700	4,94,000	1,42,67,000	984,100	5,200	989,300	+35,600	+44,300
560,400	24,900	585,300	—131,300	1,08,95,000	7,14,000	773,900	6,700	780,600	+64,000	+195,300
412,700	42,400	455,100	—25,800	56,14,000	25,37,000	543,400	28,000	571,400	+90,500	+116,300
10,267,800	697,800	10,965,600	—124,000	2,98,00,000	13,33,14,000	10,874,200	584,600	11,458,800	+369,200	+493,200
261,400	20,800	282,200	+1,400	39,45,000	...	263,000	10,700	273,700	—7,100	—8,500
500	252,500	253,000	+4,900	9,000	...	600	252,500	253,100	+5,000	+100
759,000	1,962,200	2,721,200	—16,500	8,18,000	1,08,28,000	776,400	1,983,000	2,759,400	+21,700	+38,200
457,300	69,200	526 500	+22,300	11,56,000	58,20,000	465,100	59,900	525,000	+20,800	—1,500
3,300	...	3,300	+3,300	...	...	...	...	...	...	—3,300
197,400	25,000	222,400	+59,100	5,74,000	39,23,000	299,800	21,500	321,300	+158,000	+98,900
1,678,900	2,329,700	4,008,600	+74,500	65,02,000	2,05,71,000	1,804,900	2,327,600	4,132,500	+198,400	+123,900
4,217,200	7,900	4,225,100	+890,100	1,01,04,000	7,000	674,100	...	674,100	—2,660,900	—3,551,000
...	...	...	...	...	...	...	...	...	...	...
19,900	...	19,900	—13,400	11,37,000	...	75,800	...	75,800	+42,500	+55,900
...	...	...	...	37,52,000	...	250,100	...	250,100	+250,100	+250,100
4,237,100	7,900	4,245,000	+876,700	1,49,93,000	7,000	1,000,000	...	1,000,000	—2,368,300	—3,245,000
27,516,000	6,528,100	34,044,100	+3,922,100	11,17,40,000	22,34,83,000	22,348,200	6,344,100	28,692,300	—1,429,700	—5,351,800

BUDGET ESTIMATE, 1901-1902.			
INDIA.		England.	TOTAL.
Amount in Rupees.	Equivalent in £ at R15=£1.		
R	£	£	£
4,54,03,000	3,026,900	1,148,000	4,174,900
23,33,000	155,500	218,900	374,400
4,77,36,000	3,182,400	1,366,900	4,549,300

†† The following further sums, which are included under XXVI and 38.—State Railways, are chargeable to the grant for Famine Relief and Insurance as representing the net charge on the Revenues on account of Protective Railways constructed through the agency of Companies:—

	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
Indian Midland Railway	£ 29,599	...	...

B.—*STATEMENT of the EXPENDITURE charged to the*

HEADS OF EXPENDITURE.	ACCOUNTS, 1899-1900.					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	R	R	£	£	£	R	R
Brought forward .	12,06,82,907	20,89,97,492	21,978,692	6,292,397	28,271,089	19,67,16,000	21,60,25,000
Railway Revenue Account—							
38.—State Railways: Working Expenses .	10,67,90,452	4,26,610	7,147,804	...	7,147,804	12,56,62,000	2,57,000
Interest on Debt . .	4,32,84,572	...	2,885,638	959,643	3,845,281	4,44,11,000	...
Annuities in purchase of Railways . . .	...	...	...	1,718,591	1,718,591	...	...
Interest chargeable against Companies on Advances .	18,05,553	...	120,370	218,884	339,254	21,71,000	...
Interest on Capital deposited by Companies .	1,62,383	...	10,826	844,326	855,152	1,36,000	...
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision .	51,51,000	...	343,400	...	343,400	30,28,000	...
Interest . .	1,28,387	...	8,559	2,172,336	2,180,895	1,22,000	...
40.—Subsidized Companies: Land, etc. .	5,31,339	40,094	38,096	...	38,096	2,91,000	2,000
41.—Miscellaneous Railway Expenditure .	6,34,671	4,571	42,616	...	42,616	7,93,000	35,000
TOTAL .	15,84,88,357	4,71,275	10,597,309	5,913,780	16,511,089	17,66,14,000	2,94,000
Irrigation—							
42.—Major Works: Working Expenses .	59,56,777	40,14,506	664,753	...	664,753	62,64,000	41,63,000
Interest on Debt .	78,23,948	56,27,288	896,749	...	896,749	81,72,000	56,55,000
43.—Minor Works and Navigation . .	37,86,269	67,23,301	700,638	1,335	701,973	33,63,000	69,59,000
TOTAL .	1,75,66,994	1,63,65,095	2,262,140	1,335	2,263,475	1,77,99,000	1,67,77,000
Other Public Works—							
44.—Military Works	1,20,71,699	...	804,780	31,782	836,562	1,05,00,000	...
45.—Civil Works	34,69,912	4,46,25,412	3,206,355	91,735	3,298,090	42,11,000	4,49,88,000
45 A.—Construction of Railways charged to Provincial or Local Revenues	...	35,345	2,356	...	2,356	...	2,73,000
TOTAL .	1,55,41,611	4,46,60,757	4,013,491	123,517	4,137,008	1,47,11,000	4,52,61,000
Army Services—							
46.—Army: Effective	15,32,48,703	...	10,216,580	1,638,737	11,855,317	15,15,00,000	...
Non-Effective . . .	91,15,539	...	607,703	2,422,206	3,029,909	91,68,000	...
TOTAL .	16,23,64,242	...	10,824,283	4,060,943	14,885,226	16,06,68,000	...
Special Defence Works—							
47.—Special Defence Works . . .	...	...	...	874	874	...	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	47,46,44,111	27,04,94,619	49,675,915	16,392,846	66,068,761	56,65,08,000	27,83,57,000
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	44,51,317	296,754	...	296,754	...	18,30,000
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances .	...	*75,44,616*	*502,974*	...	*502,974*	...	*14,43,000*
Total Expenditure charged to Revenue	47,46,44,111	26,74,01,320	49,469,695	16,392,846	65,862,541	56,65,08,000	27,87,44,000

	ACCOUNTS, 1899-1900.			
	INDIA.		England.	Total.
	Amount in Rupees.	Equivalent in £ at R15=£1.		
	R	£	£	£
Capital Expenditure not charged to Revenue—				
48.—State Railways	2,74,85,632	1,832,375	605,337	2,437,712
49.—Irrigation Works	88,12,240	587,483	10,477	597,960
TOTAL .	3,62,97,872	2,419,858	615,814	3,035,672
51.—Redemption of Liabilities	...	...	...	...

Revenues of India, in India and in England—concluded.

ESTIMATE, 1900-1901.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1900-1901.	BUDGET ESTIMATE, 1901-1902.					Increase + Decrease — of Budget, 1901-1902, as compared with Budget Estimates, 1900-1901.	Increase + Decrease— of Budget, 1901-1902, as compared with Revised Estimates, 1900-1901.
				India. (Rupee Figures.)						
Total India (converted into £ at R15=£1).	England.	Total.		Imperial.	Provincial and Local.	Total India (converted into £ at R15=£1).	England.	Total.		
£	£	£	£	R	R	£	£	£	£	£
27,516,000	6,528,100	34,044,100	+3,922,100	11,17,40,000	22,34,83,000	22,348,200	6,344,100	28,692,300	—1,429,700	—5,351,800
8,394,600	...	8,394,600	+406,100	12,95,95,000	2,35,000	8,655,300	...	8,655,300	+666,800	+260,700
2,960,800	1,054,000	4,014,800	+5,700	4,54,03,000	...	3,026,900	1,148,000	4,174,900	+165,800	+160,100
...	2,357,100	2,357,100	—53,200	...	...	...	2,995,200	2,995,200	+584,900	+638,100
144,700	218,900	363,600	+4,000	23,33,000	...	155,500	218,900	374,400	+14,800	+10,800
9,100	926,600	935,700	+6,700	6,25,000	95,000	48,000	1,081,100	1,129,100	+200,100	+193,400
201,900	...	201,900	+9,400	19,54,000	...	130,300	...	130,300	—62,200	—71,600
8,100	1,589,500	1,597,600	—1,100	21,000	...	1,400	1,015,100	1,016,500	—582,200	—581,100
19,500	...	19,500	—59,000	8,66,000	52,000	61,200	...	61,200	—17,300	+41,700
55,200	...	55,200	+4,500	8,00,000	33,000	55,500	...	55,500	+4,800	+300
11,793,900	6,146,100	17,940,000	+323,100	18,15,97,000	4,15,000	12,134,100	6,458,300	18,592,400	+975,500	+652,400
695,200	...	695,200	+35,800	61,00,000	43,45,000	696,400	...	696,400	+37,000	+1,200
921,800	...	921,800	—1,400	85,70,000	56,70,000	949,300	...	949,300	+26,100	+27,500
688,100	900	689,000	—28,800	35,61,000	78,21,000	758,800	1,000	759,800	+42,000	+70,800
2,305,100	900	2,306,000	+5,600	1,82,31,000	1,78,36,000	2,404,500	1,000	2,405,500	+105,100	+99,500
700,000	39,000	739,000	—41,700	1,31,74,000	...	878,300	16,800	895,100	+114,400	+156,100
3,279,900	92,600	3,372,500	—9,600	67,27,000	5,06,42,000	3,824,600	95,200	3,919,800	+537,700	+547,300
18,200	...	18,200	—67,000	...	6,48,000	43,200	...	43,200	—42,000	+25,000
3,998,100	131,600	4,129,700	—118,300	1,99,01,000	5,12,90,000	4,746,100	112,000	4,858,100	+610,100	+728,400
10,100,000	1,972,100	12,072,100	—1,147,500	16,94,23,000	...	11,294,800	2,814,800	14,109,600	+890,000	+2,037,500
611,200	2,389,900	3,001,100	—38,100	91,80,000	...	612,000	2,413,700	3,025,700	—13,500	+24,600
10,711,200	4,362,000	15,073,200	—1,185,600	17,86,03,000	...	11,906,800	5,228,500	17,135,300	+876,500	+2,062,100
...	6,800	6,800	+6,800	...	...	...	...	...	...	—6,800
56,324,300	17,175,500	73,499,800	+2,953,700	51,00,72,000	29,30,24,000	53,539,700	18,143,900	71,683,600	+1,137,500	—1,816,200
122,000	...	122,000	+576,400	...	47,26,000	315,100	...	315,100	+368,000	—208,400
96,200	...	*96,200*		...	*74,66,000*	*497,700*	...	*497,700*		
56,350,100	17,175,500	73,525,600	+3,530,100	51,00,72,000	29,02,84,000	53,357,100	18,143,900	71,501,000	+1,505,500	—2,024,600

REVISED ESTIMATE, 1900-1901.				BUDGET ESTIMATE, 1901-1902.			
India.				India.			
Amount in Rupees.	Equivalent in £ at R15=£1.	England.	Total.	Amount in Rupees.	Equivalent in £ at R15=£1.	England.	Total.
R	£	£	£	R	£	£	£
90,22,000	601,500	648,000	1,249,500	81,21,000	541,400	1,478,000	2,019,400
89,06,000	593,700	6,800	600,500	99,12,000	660,800	5,900	666,700
1,79,28,000	1,195,200	654,800	1,850,000	1,80,33,000	1,202,200	1,483,900	2,686,100
...	...	5,922,400	5,922,400	...	...	...	...

C.—*Statement of Receipts and Disbursements of the*

	Accounts, 1899-1900.			Revised Estimate, 1900-1901.			Budget Estimate, 1901-1902.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	68,373,621	263,543	68,637,164	74,951,900	214,100	75,166,000	71,795,300	396,600	72,191,900
Excess of Revenue over Expenditure charged to Revenue			2,774,623			1,640,400			690,900
Railway and Irrigation Capital not charged to Revenue—									
Outlay of Railway Companies—									
Repayments	1,534,987	4,861	1,539,848	1,033,500	3,100	1,036,600	799,100	2,600	801,700
Net			0			0			0
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	273,933	601,005	874,938	34,300	1,373,500	1,407,800	53,400	3,776,400	3,829,800
Net			872,238			1,230,000			1,663,400
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	...		...	3,000,000		...	1,000,000	
Debentures and Debenture stock of the G. I. P. Ry.	...	...		...	5,922,400		...	...	
Rupee Debt—									
Rupee Loan	...	...		2,000,000	...		1,333,300	...	
Total	...	...	...	2,000,000	8,922,400	10,922,400	1,333,300	1,000,000	2,333,300
Net			0			10,825,700	...		2,240,600
Temporary Debt Incurred—									
Temporary Loans	...	6,500,000	6,500,000	301,900	5,500,000	5,801,900		5,000,000	5,000,000
Net			0			801,900			0
Unfunded Debt—									
Deposits of Service Funds	95,424	...		101,400	...		101,700	...	
Savings Bank Deposits	2,783,241	...		2,878,000	...		2,984,400	...	
Total	2,878,665	...	2,878,665	2,979,400	...	2,979,400	3,086,100	...	3,086,100
Net			274,078			370,500			502,500
Deposits and Advances—									
Balances of Provincial Allotments	296,754	...		122,000	...		315,100	...	
Appropriation for Reduction of Debt	...	...		...	...		250,100	...	
Excluded Local Funds	618,583	...		861,900	...		600,300	...	
Railway Funds	52,716	...		43,500	...		52,800	...	
Deposits of Sinking Funds	53,515	...		8,800	...		9,200	...	
Departmental and Judicial Deposits	14,319,927	...		19,435,900	4,300		15,138,800	...	
Advances	8,719,058	...		8,384,000	434,500		3,410,100	71,600	
Suspense Accounts	113,201	...		80,500	...		7,600	...	
Exchange on Remittance Accounts, net	3,279	...		2,400	...		53,300	...	
Miscellaneous	1,097	...		3,200	...		...	...	
Total	24,178,130	...	24,178,130	28,942,200	438,800	29,381,000	19,843,300	71,600	19,914,900
Net			0			2,025,000			0
Carried over	97,239,336	7,369,409		110,243,200	16,451,900		96,910,500	10,247,200	

Government of India, in India and England.

	Accounts, 1899-1900.			Revised Estimate, 1900-1901.			Budget Estimate, 1901-1902.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	49,675,915	16,392,846	66,068,761	56,324,300	17,175,500	73,499,800	53,539,700	18,143,900	71,683,600
Add—Provincial Surpluses, transferred to "Deposits"	296,754	...	296,754	122,000	...	122,000	315,100	...	315,100
Deduct—Provincial Deficits charged to "Deposits"	*502,974*	...	*502,974*	*96,200*	...	*96,200*	*497,700*	...	*497,700*
Total	49,469,695	16,392,846	65,862,541	56,350,100	17,175,500	73,525,600	53,357,100	18,143,900	71,501,000
Excess of Expenditure charged to Revenue, over Revenue—									
Railway and Irrigation Capital not charged to Revenue—									
Outlay on Irrigation Works	587,483	10,477	597,960	593,700	6,800	600,500	660,800	5,900	666,700
Outlay on State Railways	1,832,375	605,337	2,437,712	601,500	648,000	1,249,500	541,400	1,478,000	2,019,400
Outlay on Railway Companies—									
Payments for Capital outlay	2,523,570	1,612,468	4,136,038	2,118,900	1,246,400	3,365,300	1,871,700	1,639,500	3,511,200
Net			2,596,190			2,328,700			2,709,500
Charge involved in Redemption of Railway Liabilities—									
G. I. P. Railway	...	...	...		5,922,400	5,922,400	...	...	...
Raised and deposited by Railway Companies—									
Payments for discharge of Debentures	...	2,700	2,700	...	177,800	177,800	...	2,166,400	2,166,400
Net			0			0			0
Permanent Debt Discharged—									
Sterling Debt—									
India 4 p. c. Stock	...	...			...			...	
India 3½ p. c. Debentures	...	...			...			...	
Oude and Rohilkhund Railway Debenture Stock	...	1,200			...			...	
E. I. Railway Debentures	...	100			...			...	
Rupee Debt—									
5½ p. c. Loans	887	...		...	...		...	...	
4½ p. c. Loans	1,407	...		1,000	...		700	...	
4 p. c. Loans	90,790	...		90,700	...		89,300	...	
3½ p. c. Loans	12,040	...		5,000	...		3,300	...	
7 s. per cent.	14,867	...		...	...		...	...	
Stock Notes	7	...		...	...		...	...	
Total	119,998	1,300	121,298	96,700	...	96,700	93,300	...	93,300
Net			121,298			0			0
Temporary Debt Discharged—									
Temporary Loans	...	6,500,000	6,500,000	...	5,000,000	5,000,000	301,900	5,000,000	5,301,900
Net			0			0			301,900
Unfunded Debt—									
Special Loans	258	...		...	...		...	...	
Deposits of Service Funds	75,836	...		81,700	...		76,100	...	
Savings Bank Deposits	2,528,493	...		2,527,200	...		2,507,500	...	
Total	2,604,587	...	2,604,587	2,608,900	...	2,608,900	2,583,600	...	2,583,600
Net			0			0			0
Deposits and Advances—									
Balances of Provincial Allotments	502,974	...		96,200	...		497,700	...	
Excluded Local Funds	614,865	...		855,400	...		589,500	...	
Railway Funds	50,730	...		52,700	...		42,800	...	
Sinking Funds	48,333	...		...	...		...	...	
Departmental and Judicial Deposits	14,290,134	...		17,591,300	...		16,381,500	...	
Advances	9,007,351	2,583		8,243,800	497,700		2,660,600	...	
Suspense Accounts	116,312	...		18,900	...		6,800	...	
Exchange on Remittance Accounts, net	...	...		...	...		...	...	
Miscellaneous	92	...		...	...		3,100	...	
Total	24,630,791	2,583	24,633,374	26,858,300	497,700	27,356,000	20,182,000	...	20,182,000
Net			455,244			0			267,100
Carried over	81,768,499	25,127,711		89,228,100	30,674,600		79,501,800	28,433,700	

C.—*Statement of Receipts and Disbursements of the*

	Accounts, 1899-1900.			Revised Estimate, 1900-1901.			Budget Estimate, 1901-1902.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . .	97,239,336	7,369,409		110,243,200	16,451,900		96,910,500	10,247,200	
Loans and Advances by Imperial Government .	138,837	...	138,837	303,000	...	303,000	230,500	...	230,500
Net .			0			0			111,200
Loans and Advances by Provincial Governments	430,660	...	430,660	542,100	...	542,100	564,700	...	564,700
Net .			0			0			0
Capital Account of Local Boards . . .	...	...	...	19,600	...	19,600	19,600	...	19,600
Net .			0			19,600			0
Remittances—									
Inland Money Orders .	18,304,669	...		19,333,300	...		20,000,000	...	
Other Local Remittances	...	...		2,223,300	...		994,700	...	
Other Departmental Accounts . .	567,102	...		385,900	...		324,300	...	
Net Receipts by Civil Treasuries from—									
Post Office . .	321,440	...		406,700	...		426,700	...	
Telegraph . .	58,451	...		46,300	...		...	...	
Guaranteed Railways	2,244,255	...		1,304,800	...		1,024,500	...	
Public Works . .	...	...		878,600	...		2,429,500	...	
Net Receipts from Civil Treasuries by—									
Telegraph . .	...	...		...	...		5,500	...	
Marine . . .	568,919	...		713,800	...		36,900	...	
Military . .	10,467,443	...		11,307,900	...		11,400,500	...	
Public Works . .	186,048	...		...	...		...	...	
Remittance Account between England and India—									
Railway transactions .	1,284,903	1,010,585		1,492,700	2,054,700		2,305,900	2,277,500	
Other ,, .	2,457,278	1,589,761		7,381,500	7,870,700		358,100	957,500	
Total .	36,460,508	2,600,346	39,060,854	45,474,800	9,925,400	55,400,200	39,606,600	3,235,000	42,841,600
Net .			217,396			0			0
Secretary of State's Bills drawn	...	19,067,022	19,067,022	...	13,500,000	13,500,000	...	16,500,000	16,500,000
Total Receipts .	134,269,341	29,036,777		156,582,700	39,877,300		137,331,900	29,982,200	
Opening Balance .	11,177,669	3,145,768		8,425,827	3,330,943		10,822,727	3,717,543	
GRAND TOTAL .	145,447,010	32,182,545		165,008,527	43,208,243		148,154,627	33,699,743	

FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
March 20, 1901.

H. J. BRERETON,
Deputy Comptroller General.

Government of India, in India and in England—continued.

	Accounts, 1899-1900.			Revised Estimate, 1900-1901.			Budget Estimate, 1901-1902.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	81,768,499	25,127,711		89,228,100	30,674,600		79,591,800	28,433,700	
Loans and Advances by Imperial Government .	845,031	...	845,031	2,968,500	...	2,968,500	119,300	...	119,300
Net .			706,194			2,665,500			0
Loans and Advances by Provincial Governments	584,325	...	584,325	1,266,100	...	1,266,100	614,500	...	614,500
Net .			153,665			724,000			49,800
Capital Account of Local Boards . . .	...	...	...	...	...	...	39,200	...	39,200
Net .			0			0			19,600
Remittances—									
Inland Money Orders .	18,278,962	...		19,333,300	...		20,000,000	...	
Other Local Remittances	13,462	...		2,222,500	...		994,700	...	
Other Departmental Accounts . .	587,451	...		385,900	...		324,300	...	
Net payments into Civil Treasuries by—									
Post Office . .	321,451	...		406,700	...		426,700	...	
Telegraph . .	57,755	...		46,300	...		...	...	
Guaranteed Railways	2,244,255	...		1,304,800	...		1,024,500	...	
Public Works . .	...	...		778,600	...		2,429,500	...	
Net Issues from Civil Treasuries to—									
Telegraph . .	...	...		...	...		5,500	...	
Marine . . .	563,836	...		713,800	...		336,900	...	
Military . . .	10,467,443	...		11,307,900	...		11,400,500	...	
Public Works . .	274,478	...		...	...		...	...	
Remittance Account between England and India—									
Railway transactions .	1,007,917	1,287,571		2,054,700	1,492,700		2,277,500	2,305,900	
Other ,,	1,302,557	2,436,320		8,990,200	7,323,400		1,239,200	354,200	
Total .	35,119,567	3,723,891	38,843,458	47,544,700	8,816,100	56,360,800	40,459,300	2,660,100	43,119,400
Net .			0			960,600			277,800
Secretary of State's Bills paid	18,703,761	...	18,703,761	13,178,400	...	13,178,400	16,830,200	...	16,830,200
Total Disbursements .	137,021,183	28,851,602		154,185,800	39,490,700		137,654,300	31,093,800	
Closing Balance .	8,425,827	3,330,943		10,822,727	3,717,543		10,500,327	2,605,943	
GRAND TOTAL .	145,447,010	32,182,545		165,008,527	43,208,243		148,154,627	33,699,743	

A. F. COX,
Comptroller General.

J. F. FINLAY,
Secretary to the Government of India.

D.—*Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Settlements.*

Provincial and Local Balances.

NOTE.—These balances do not include the Balances of Deposits and Advances upon Local Fund Accounts.

	India.	Central Provinces.	Burma.	Assam.	Bengal.	N.-W. P. and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at R15 = £1.
Accounts, 1899-00	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	£
Balance at end of 1898-99 . .	1,15,041	5,57,709	1,00,65,957	17,46,852	51,26,292	47,58,231	32,70,771	56,20,613	45,56,414	3,58,17,880	2,387,859
Added in 1899-00	...	...	26,52,116	...	9,34,571	8,64,630	...	...	...	44,51,317	296,754
Spent in 1899-00 .	11,920	2,76,233	...	8,68,506	...	...	19,84,459	21,20,549	22,82,949	75,44,616	502,974
Balance at end of 1899-00 . .	1,03,121	2,81,476	1,27,18,073	8,78,346	60,60,863	56,22,861	12,86,312	35,00,064	22,73,465	3,27,24,581	2,181,639
Revised Estimate, 1900-1901.											
Balance at end of 1899-00 (by Accounts).	1,03,121	2,81,476	1,27,18,073	8,78,346	60,60,863	56,22,861	12,86,312	35,00,064	22,73,465	3,27,24,581	2,181,639
Added in 1900-1901 . .	...	...	6,05,000	...	6,46,000	5,75,000	...	...	4,000	18,30,000	122,000
Spent in 1900-1901	17,000	1,67,000	...	3,64,000	...	...	3,45,000	5,50,000	...	14,43,000	96,200
Balance at end of 1900-1901 .	86,121	1,14,476	1,33,23,073	5,14,346	67,06,863	61,97,861	9,41,312	29,50,064	22,77,465	3,31,11,581	2,207,439
Budget Estimate, 1901-1902.											
Balance at end of 1900-1901 (by Revised Estimate) . .	86,121	1,14,476	1,33,23,073	5,14,346	67,06,863	61,97,861	9,41,312	29,50,064	22,77,465	3,31,11,581	2,207,439
Added in 1901-1902	31,000	8,07,000	...	25,000	...	...	10,01,000	9,50,000	19,12,000	47,26,000	315,100
Spent in 1901-1902	...	...	26,55,000	...	22,07,000	26,04,000	...	...	...	74,56,000	497,700
Balance at end of 1901-1902 .	1,17,121	9,21,476	1,06,68,073	5,39,346	44,99,863	35,93,861	19,42,312	39,00,064	41,89,465	3,03,71,581	2,024,839

H. J. BRERETON,
Deputy Comptroller General.

A. F. COX,
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J. F. FINLAY,
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FORT WILLIAM.
FINANCE AND COMMERCE DEPARTMENT;
March 20, 1901.

E.—*Statement of Net Revenue and Expenditure—India and England.*

Part I.—Income.

REVENUE.	Accounts, 1899-1900. £	Accounts, 1899-1900. £	Revised Estimate, 1900-1901. £	Revised Estimate, 1900-1901. £	Budget Estimate, 1901-1902. £	Budget Estimate, 1901-1902. £
I.—Land Revenue, etc.:						
1. Land Revenue	17,172,568		17,658,100		18,135,800	
2. Forest	1,232,625		1,275,900		1,251,900	
3. Tributes from Native States	614,588		577,700		640,500	
	19,019,841		19,511,700		20,028,200	
Deduct,—						
Assignments	*755,728*		*754,000*		*760,900*	
NET	—	18,264,113	—	18,757,700	—	19,267,300
II.—Opium, Net Receipts	2,673,937		3,340,400		2,770,600	
Deduct,—						
Assignments	*3,348*		*3,400*		*3,400*	
NET	—	2,670,589	—	3,337,000	—	2,767,200
III.—Taxation:						
1. Salt	5,830,752		5,929,800		5,915,800	
2. Stamps	3,225,920		3,305,500		3,310,700	
3. Excise	3,840,346		3,930,900		3,948,400	
4. Provincial Rates	2,495,458		2,558,300		2,719,300	
5. Customs	3,070,627		3,242,500		3,123,100	
6. Assessed Taxes	1,292,729		1,300,900		1,296,700	
7. Registration	287,164		311,400		300,500	
	20,042,996		20,585,300		20,614,500	
Deduct,—						
Assignments	*298,616*		*276,300*		*285,600*	
NET	—	19,744,380	—	20,309,000	—	20,328,900
IV.—Miscellaneous Receipts (*i.e.*, Mint, Exchange and Miscellaneous)	—	307,616	—	106,500	—	—40,700
		40,986,698		42,510,200		42,322,700
Excess of Expenditure over Income		—		—		—
	—	40,986,698		42,510,200		42,322,700

Part II.—Expenditure.

CHARGES.	Accounts, 1899-1900. £	Accounts, 1899-1900. £	Revised Estimate, 1900-1901. £	Revised Estimate, 1900-1901. £	Budget Estimate, 1901-1902. £	Budget Estimate, 1901-1902. £
I.—Debt Services	—	1,342,283	—	1,516,200	—	1,417,100
II.—Military Services:						
1. Army	14,165,743		14,239,100		16,345,500	
2. Military Works	801,782		702,800		859,000	
3. Special Defence Works	874		6,800		—	
TOTAL	—	14,968,399	—	14,948,700	—	17,204,500
III.—Collection of Revenue:						
1. Land Revenue, including District Administration	2,748,739		2,831,000		2,941,000	
2. Forest	730,175		743,200		760,300	
3. Other Heads	969,925		994,100		1,055,000	
TOTAL	—	4,448,839	—	4,568,300	—	4,756,300
IV.—Commercial Services:						
Net Expenditure—						
Railway	...		...		164,800	
Telegraph	...		...		39,200	
	...		...		204,000	
Deduct—Net Receipts—						
Railway	76,756		156,200		...	
Irrigation	136,387		307,900		81,000	
Post Office	126,068		124,100		48,300	
Telegraph	105,891		82,100		...	
	445,102		670,300		129,300	
NET	—	—445,102	—	—670,300	—	74,700
V.—Civil Services:						
1. Civil Departments	9,597,544		9,727,600		10,249,100	
2. Miscellaneous Civil Charges	3,513,138		3,526,700		3,554,000	
3. Famine Relief and Insurance	2,098,848		4,245,000		1,000,000	
4. Construction of Railways (charged to Provincial or Local Revenues)	2,356		18,200		43,200	
5. Civil Works	2,891,990		2,963,600		3,515,500	
	18,103,876		20,481,100		18,361,800	
Add or Deduct,—						
Provincial Surplus or Deficit	*—206,220*		25,800		*—182,600*	
TOTAL	—	17,897,656	—	20,506,900	—	18,179,200
		38,212,075		40,869,800		41,631,800
Excess of Income over Expenditure		2,774,623		1,640,400		690,900
		40,986,698		42,510,200		42,322,700

H. J. BRERETON,
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FORT WILLIAM,
FINANCE AND COMMERCE DEPARTMENT;
March 20, 1901.

APPENDIX II.

Memorandum by the Hon'ble Major-General Sir Edwin Collen, G.C.I.E., C.B., on Military, Military Works, and Marine Expenditure for the years 1900-1901 and 1901-1902.

The estimates with which the Military and Marine Department of the Government of India is concerned are the following:—

I.—Indian Military Estimates.
II.—Home (India) Military Estimates.
III.—Military Works Estimates.
IV.—Marine Estimates.

2. They will be dealt with in the order given above. But I will preface my examination of them, as usual, with some explanation of the more important measures which have been carried out or initiated during the past year.

3. Taking the Indian and the Home (India) Military Estimates together, the expenditure for the year 1901-1902 is estimated to exceed the amount provided in the Budget for 1900-1901 by £791,100. This figure, however, does not give the true increase to military expenditure in the coming year, as compared with the provision in the Budget of the current year. To arrive at the true figure abnormal causes of variation must be eliminated. In the first place, the excess provision amounting to £266,666, which was provided in the Budget for the current year to meet the expected rise in the cost of food supplies for men and animals, must be thrown out. Again, the savings amounting to £280,000 on account of the absence of the troops lent for service in South Africa and the Colonies must be taken into consideration as, in the Budget for next year, full provision has been made for the established strength. For the first time, also, a credit of £230,000 has been afforded in the Home Estimates for 1901-1902 in consequence of the recommendation of the Royal Commission on Indian Expenditure. Throwing out the above items, the increase in the Budget for next year comes to £1,008,000.

4. Some of the reasons which make this increase necessary are similar to those which were indicated by me in my memorandum of the 21st March last year; but, in addition to these, we have had brought home to us, by the striking lessons of the war in South Africa, the urgent need for improvement in many directions. Following the plan pursued in 1899 we drew up last autumn a list of our more pressing military requirements, and selected from this such items as we could at that moment make provision for, from savings due to the absence from India of troops in South Africa and China, or for which we foresaw the possibility of making provision in the coming year. Lately, we have further prepared a similar and more complete list from which selections have again been made, up to the limit of our financial resources. The savings referred to have supplemented to an important degree the funds ordinarily available so that in one way and another the year under review has seen an exceptionally large number of important military measures carried through, or at least instituted and put in a fair way towards completion.

5. Some of the principal of these measures I will briefly enumerate, dividing them into the following headings: Field Army, Frontier Defence, Frontier Railways, Internal Defence, Coast Defence, Ordnance Factories, and General requirements.

Field Army.

6. Foremost among the requirements of the field army is the introduction of the '303" rifle for all troops. This important measure is being pushed forward as much as possible, but unfortunately for us in India the very large demands on the manufacturing establishments in England consequent on the South African war have prevented the contractors from fulfilling their promises, and it is inevitable that the completion of the re-armament should be somewhat delayed. No less important is the improved armament of our artillery. Various improvements which were introduced experimentally in England eighteen month

or so ago have now successfully withstood the severe test of field service and are being adopted in our field batteries; they include the "spade" brake and the "Grenfell" sight, both of which have been found very satisfactory in South Africa. The year has passed without our being able to obtain any new guns for our mountain batteries, but a satisfactory type of gun has at length been decided on at home, and we hope to complete this very necessary measure next year at a cost of ₹4,00,000 (£26,600). Further, intended improvements to the artillery branch are an increase of 594 horses to field batteries costing ₹5,40,000 (£36,000), half of which has been met from savings; an increase to the establishments of mountain batteries at an initial cost of ₹3,50,000 (£23,300), and an annual expenditure of ₹6,37,000 (£42,460); and an addition of three howitzer batteries, two of which will we hope be provided next year. The necessity for an extended use of machine guns is another evident result of the South African war, and we are obtaining immediately sufficient Maxims to give two each to all regiments of the 1st and 2nd divisions of the field army, as well as to all other British regiments in India. These guns, sixty-eight in number, will cost ₹3,42,000 (£22,800). At the same time we are obtaining several machine guns of other descriptions from England for thorough trial, at a cost of ₹1,66,000 (£11,060).

7. I mentioned last year an important increase of 92 British officers to the Native army. The necessity of a further step in the same direction has now been recognized, and we propose to add another officer to every Native infantry regiment, or a total further increase of 133 officers. The cost of this for a whole year will be about ₹6,00,000 (£40,000), half of which sum only has been entered in the Estimates of 1901-1902.

8. The increased use of mounted infantry must be a distinct feature in future warfare, and provision for the training of such troops has therefore become very necessary. With this object we propose to form five schools of instruction and have provided ₹9,00,000 (£60,000) in the estimates of the coming year for the purpose.

9. In matters of equipment two items resulting from the experience of the South African war are the issue of a number of Zeiss and other binoculars and telescopes to mounted troops, and the adoption of a bandolier for the carriage of ammunition. The pattern in the latter case has not yet been decided on, but we have provided two lakhs (£13,300) in the estimates which will suffice for the first two divisions of the field army.

10. Turning to the important question of transport, the reorganization which I alluded to in my memorandum of March last could not be adopted in its entirety owing to the large expenditure involved, and we have been obliged to content ourselves with a scheme which will at least give us a definite organization and one which will be capable of rapid development and expansion on mobilization. This scheme has been approved by the Secretary of State, and the cadres of mule corps, cart trains, and camel corps, which are its salient feature, are being formed. The eventual cost of the organization will be nineteen-and-a-half lakhs annually (£130,000), and fifteen-and-three-quarter lakhs (£105,000) have been provided on this account in the Estimates of 1901-1902. Meanwhile the necessities of the supply branch of the Commissariat-Transport Department will be partly met by an addition of eight officers and eight probationers, which has been sanctioned by the Secretary of State.

11. Other measures towards increasing the preparedness and efficiency of the field army are the provision of equipment required from England for four more general hospitals, costing ₹50,000 (£3,300); the organization of a corps of military staff clerks, involving extra expenditure to the extent of ₹56,000 (£3,700); an increase to the annual allowance of practice ammunition for field artillery, costing ₹63,000 (£4,200); and a similar increase at a cost of ₹68,000 (£4,530) for native infantry on their being re-armed with the ·303" rifle.

Frontier Defence.

12. Under the headings Frontier Defence and Railways fall the construction of a new fort at Drosh which is nearly finished; the completion of the Khyber defences, which have been handed over to the Khyber Rifles; the provision of additional water-supply and accommodation for the garrison, and the completion of the defences at the Malakand. Under the same heading is a road from Kohat to Peshawar which is being executed by the Public Works Department

at a cost of R2,47,000 (£16,460); about one-third of this work is already completed. Then it has been decided to make a 2-foot 6-inch railway from Khushalgarh to Kohat and Thal, the formation as far as Kohat being for a 5-foot 6-inch gauge in view of the eventual bridging of the Indus. The work was begun in January and is being pushed on rapidly. The Nowshera-Dargai Railway to which I alluded last year is practically completed and is attracting a good amount of traffic. *Frontier Railways.*

13. The re-armament of the volunteers which is an important item under the heading Internal Defence is perforce delayed for the unavoidable reason which retards the rearmament of the field army, but we hope to give at least a percentage of volunteers the '303" rifle before very long. In the same category is the addition of a company of garrison artillery to the army in India, which we have recommended. *Internal Defence.*

14. In connection with Coast Defence some long-deferred requirements have been taken in hand during the past year, although the more pressing needs of the land forces have compelled a further postponement of other measures which must before long receive attention. We are about to supply the 6-inch guns of the defences at Bombay with cordite ammunition at a cost of R1,37,000 (£9,130) and in 1902-1903 similar provision will be made for the guns of that calibre in the Karachi and Hughli defences. We have provided a lakh and seventy thousand rupees (£11,300) in the estimates of 1901-1902 for the provision of breech-loading guns for the Rangoon defences instead of the 40-pounder muzzle-loading guns now mounted there. A number of new machine guns have also been ordered for all coast defence works at a cost of R1,66,000 (£11,060). Not the least important measure for the better security of our coast defences is the establishment at the fortress of Aden of an ordnance workshop, fitted up with all necessary machinery to admit of repairs to the guns, etc., in the defences there being executed on the spot. This necessary work has been put in hand and will, it is hoped, be completed next year. To assist in the defence of important seaports we propose to make arrangements for the more efficient training of volunteers; and with the same object in view the establishment of regular troops employed on submarine mining will be increased next year. *Coast Defence.*

15. Many of the measures mentioned above have thrown extra work on, or have shown the necessity for increasing the capacity of, our ordnance factories, and some large items of extra expenditure in the present and coming years are the result of the increasing necessity that India should be as far as possible independent of England in the matter of warlike stores. This is shown particularly clearly in the difficulty which we are experiencing in obtaining our requirements of rifles to re-arm the native troops. At the same time our manufacturing establishments have so improved of late years that we propose to establish a small-arms factory in India. This measure will, however, take some time to carry out and the expenditure on it in 1901-1902 will be trifling. The lyddite filling factory at Kirkee which I referred to last March will, I hope, soon be working; the new cordite factory at Wellington has progressed during the year, and we hope that the preliminaries for the central gun-carriage factory which is to be built at Jubbulpore will soon be completed. *Ordnance Factories.*

16. We now come to my final heading, general requirements of the army, which includes a number of very important measures. I have only sufficient space to allude in the briefest way to the following. We propose to introduce an improved system of recruiting in Madras, through the agency of special staff officers, a measure which has already proved most satisfactory in Bengal, Punjab and Bombay. The cost of this will be only some R44,000 (£3,000) a year. An expenditure of R83,000 (£5,530) a year has been sanctioned on improving the pay and prospects of warrant officers of the Indian army departments, a class whose duties are generally arduous and who are often entrusted with great responsibility. The system of training regimental orderlies to supplement our small staff of nurses in military hospitals has been so successful that we are expending a further R12,000 (£800) so as to provide extra duty pay for a larger number of men so trained. A most important measure in the interests of the health of the British army is the substitution of a metal tank to be packed on mules, for the carriage of drinking water, instead of the time-honoured *pakhal* and *massak*, both of which are constant sources of danger and probably of disease in barracks; and equally important from the point of *General requirements.*

view of efficiency as well as of the prevention of disease, is the gradual introduction in British regiments of patent cooking stoves, with a view to allowing of all cooking being done—as is the case in England and the Colonies—by soldier cooks. Last year an experiment was tried of sending sickly soldiers for short sea trips, and we propose to extend this useful practice in 1901-1902; I hope that the results may materially benefit the British troops in India. Further measures with a similar object are the extension of the employment of medical officers on special sanitary and bacteriological research work; the gradual development of our system of dairies; the completion of installation of Pasteur-Chamberland filters at two stations; continued experiments in incineration; and efforts to arrive at a satisfactory system for the removal of rubbish and thorough cleansing of cantonments. We have given much attention during the year to the question of mechanical punkah-pulling, the adoption of which is, we consider, most desirable. A number of experiments have been made, with the result that those systems which will allow of combined lighting of barracks and punkah-pulling by electricity seem likely to be the most satisfactory. We have decided to obtain the assistance of an expert adviser in the matter, and we have provided four lakhs (£26,600) in next year's estimates in the hope of being able to instal a satisfactory system at some stations at least in the course of 1901-1902. In connection with the usual peace training of troops, the annual grant for camps of exercise and instructions was reduced in the current year's estimates from one lakh to 75,000 rupees. For next year we have been able to increase the amount to two lakhs (£13,300). Finally, I should mention an increase of seven officers to the Army Veterinary Department in India, which for some years past has been unequal to the numerous duties required of it.

17. The last-mentioned item brings me to one or two points which are worthy of notice, although they do not fall under the various categories into which I have divided the foregoing measures. I referred last year to the large numbers of horses which we were purchasing to replace those sent with troops to South Africa. These extra purchases have been trained partly by batteries of artillery in this country and the remainder at temporary remount depôts which were established at Umballa and Bangalore. The result of these arrangements is that we are now in a position to supply trained horses to the cavalry regiments and batteries of the Indian establishment now in South Africa as soon as ever the course of events shall permit of their return to India. The supply of horses and ordnance mules to the army has again been hampered by the prevalence of contagious disease at the Hapur Depôt to which I alluded in my memorandum of March last. The origin of the disease which is diagnosed by the Imperial Bacteriologist as lymphangitis, is traced by that gentleman definitely to the ship-load of Italian mules imported in 1899. The important question of remounting the army and of improving the breed of horses in India has been under consideration during the past cold weather by a commission of which Major-General Tyler, Inspector General of Artillery, was President, and I hope that their report may be of assistance in the future consideration of these much discussed problems.

18. A measure which is of considerable Imperial as well as of Indian importance is the raising of five new regiments of native infantry to replace those serving in certain colonial garrisons. The employment of native regiments in these places enables the Imperial Government to withdraw the British troops hitherto required there, but it is not advisable that the Indian army should be permanently reduced on this account, and the Secretary of State has accordingly agreed to a corresponding increase, the whole cost of which will be borne by the Imperial Government.

19. The past year has seen a continuance of that assistance which I said in March last we had been able to render to the army in South Africa. A large number of officers of the Indian Staff Corps are still serving there, many in very responsible posts, and a great number with distinction and credit, as has already been shown in the published despatches of the Generals in the field. We have also sent great quantities of supplies, including as many as 200,000 pairs of boots and shoes, 180,000 helmets and 100,000 warm coats, other garments in lesser numbers, considerable numbers of tents as well as hospital equipment, food-stuffs, etc.

20. But in addition to this we have had to fit out and despatch a considerable expedition of our own, and one to which special interest attaches, as the regiments of the Indian army which compose it have for the first time in history fought side by side with the allied forces of the other great powers of the world. The expeditionary force to China which was despatched in July and August last, under Lieutenant-General Sir Alfred Gaselee, consists of one cavalry and four infantry brigades and line of communication troops, numbering in all about 20,000 officers and men, 11,000 transport, hospital, and other non-combatants, 4,000 coolies for pack work, and 9,500 horses and transport animals. The despatch of the force was effected without a hitch notwithstanding the adverse circumstances at Calcutta of great heat and a strike among the Chinese carpenters. Forty-seven transports were chartered and fitted, thirty-two at Calcutta, and fifteen at Bombay in addition to the use of the Royal Indian Marine ships *Clive*, *Canning*, and *Dalhousie*. The whole arrangements reflect very great credit on Captain Goodridge, Director, Royal Indian Marine, Captain Wilson, Deputy Director (who directed the whole of the first preparations in the absence of the Director in South Africa), and the dockyard staffs of Bombay and Calcutta. Since the expedition started large quantities of food-stuffs have been despatched to China, as well as a very complete supply of warm clothing. Statements have appeared in the press to the effect that our Native soldiers have been insufficiently clad during the great cold of the winter in North China. Such rumours are without foundation. Ample supplies were sent of warm under-clothing, blankets, Balaclava caps, gloves, mittens, poshtins, thick overcoats, etc., and I have ascertained from Sir A. Gaselee, in reply to a special enquiry, that what was provided left nothing to be desired. Special attention was also paid to the medical arrangements: besides a liberal supply of field hospitals, a hospital ship was fitted out (for the first time in Indian waters) and this was supplemented by the munificence of His Highness the Maharaja Scindia who has supplied, fitted out and maintained another ship, the *Gwalior*, entirely at his own expense. His Highness as well as His Highness the Maharaja of Bikanir and Colonel Sir Partab Singh of Jodhpore have personally taken part in the campaign, and for the first time on record we have regiments of Imperial Service Troops joining with the regular troops of the Indian army in an over-sea expedition.

The special Commissioners, Colonels Hutchinson and Wingate, who were directed to report on compensation for dearness of provisions, commissariat procedure and accounts, to whom I alluded in March last, extended their enquiries to other matters connected with commissariat administration and have submitted admirable reports, from which we shall derive much benefit in the improvement of the system. Their proposals are now under consideration. A committee is now sitting on the whole subject of the system under which the accounts of the army and its departments are prepared; another committee has considered the question of increasing the powers of General Officers Commanding Districts, and a third has dealt in great detail with matters connected with the expenditure and accounting for hospital stores, etc. A number of the recommendations made by the latter have already been adopted, and I hope that business will be much accelerated thereby. I am also able to record with satisfaction a very large reduction, especially by the Commissariat Department, in the numbers of reports and returns hitherto in use.

As this is the last memorandum on the estimates which I shall have the honour of laying before the Council, I have attached a paper, which may be of some interest, showing the principal improvements in the efficiency of the army and our defences since 1885. I now turn to the details of the various estimates.

I.—Indian Military Estimates.

Revised Estimates, 1900-1901.

3. The revised Indian military estimates for 1900-1901, compared with the budget for the year, show a net saving of ₹1,46,69,000 caused by an increase in receipts of ₹20,71,000 and a decrease in expenditure of ₹1,25,98,000.

Comparison—
Revised for 1900-1901
and
Budget for 1900-1901.

4. The increase in receipts is chiefly due to credits on account of the value of animals and stores sent to China, the cost of which is debitable to the Imperial Government.

5. The more important causes which have led to the decrease in expenditure are as under :—

(*a*) There is a decrease of ₹40,00,000 on account of the pay and subsistence of the force sent to China, India being relieved of all expenditure in connection therewith.

(*b*) The budget assumed that the Indian Contingent sent to South Africa in 1899-1900 would return or be replaced by the middle of the current year, but as this prospect has not been realised, the provision made for the last six months becomes a saving (₹39,50,000).

(*c*) The difference between the credits taken by debit to Imperial Government for local stores issued from stock to the South Africa, China, and Jubaland Forces, and the amounts likely to be spent on their replacement, accounts for a net decrease of ₹21,00,000.

(*d*) An increase of ₹47,30,000 was anticipated owing to rise in prices of food supplies for men and animals, but this is not now expected to be fully realised as rates have somewhat fallen. The probable saving on this account is put at ₹14,80,000.

(*e*) A sum of ₹3,93,000 has been appropriated from the Indian estimates to meet the cost of supplementary demands from England.

(*f*) Smaller expenditure is anticipated to the extent of (i) ₹8,60,000 for army reliefs and commissariat services, (ii) ₹6,00,000 for regimental pay and allowances, (iii) ₹5,69,000 for medical establishments, supplies and services, (iv) ₹5,00,000 under the Remount Department grant, (v) ₹1,13,000 for barrack supplies and services, and (vi) ₹1,00,000 for army and garrison staff.

(*g*) The military estimates will be relieved of the pay and allowances of officers and others deputed on plague duty, which are debitable to the Civil Department (₹1,90,000), while a saving of ₹1,35,000 is anticipated on account of exchange compensation allowance.

6. On the other hand, there have been increases in expenditure, the more important of which are the following :—

(*a*) More sea transport charges due chiefly to chartering of transports to convey details to England (₹13,25,000).

(*b*) Cost of special expenditure to be incurred *in India* against the military estimates from savings due to the absence of troops in China and South Africa (₹12,00,000).

(*c*) In the Ordnance Department the expenditure is expected to show an increase of ₹2,55,000, while the deduction of ₹4,25,000 made in the Indian estimates to counterbalance an excess provision in the Home estimates accounts for an increase to that extent.

(*d*) Some minor increases are (i) ₹1,44,000 on account of special services and military operations due chiefly to expenditure in connection with the blockade of the Mahsud Waziris; (ii) additional grants-in-aid to cantonment funds, ₹1,01,000; (iii) new cantonment general hospitals, ₹95,000; (iv) improvement of the equipment of the field artillery in India, ₹1,36,000; and (v) expenditure in connection with the contingent sent from India to take part in the Commonwealth celebrations at Sydney, ₹1,09,000.

Estimates, 1901-1902.

7. The estimates for 1901-1902, in the net, amount to ₹17,07,58,000, or ₹74,03,000 more than the budget for 1900-1901. This is due to a decrease in receipts of ₹20,66,000 and an increase in expenditure of ₹53,37,000.

Comparison—
Budget for 1900-1901
and
Budget for 1901-1902.

8. The decrease in receipts is accounted for by the fact that a special credit of ₹20,57,000 was taken in the budget for 1900-1901 for the value of horses forming the peace complement of the units despatched to South Africa, which was chargeable to the Imperial Government.

9. The more important causes of the increase in expenditure are the following :—

(*a*) In the Budget for 1900-1901 a deduction of ₹38,50,000 was made on account of the absence of the Indian Contingent on service in South Africa, whereas no such deduction has been made for next year.

(*b*) A deduction was similarly made on account of Native infantry regiments serving in the Colonies, but as new regiments have been raised to replace them the necessary provision appears in next year's estimates (₹8,85,000).

(*c*) Larger provision for reorganisation and improvement of the commissariat-transport service, for purchase of transport animals, and for grass farms, ₹11,54,000.

(*d*) Larger provision for ordnance establishments and stores chiefly on account of the cordite and central gun-carriage factories, and in connection with the re-armament of the Native army and improvement of field artillery equipment, ₹7,00,000.

(*e*) The addition of two howitzer batteries and of one company royal garrison artillery accounts for an increase of ₹10,23,000; for the re-armament of the Native army an additional sum of ₹4,16,000 has been provided.

(*f*) The formation of five schools for mounted infantry in India involves an expenditure of ₹6,50,000, while ₹3,86,000 represents the increase due to the addition of one British officer per regiment of Native infantry in India and of eight officers for the Commissariat-Transport Department.

(*g*) Provision has also been made for the following :—₹2,03,000 for the completion of new 10-pounder mountain battery guns. ₹2,84,000 for railway works and water-supply for mobilisation rest-camps, ₹2,00,000 for bandolier equipment for units of the 1st and 2nd divisions of the field army, ₹1,24,000 for "Grenfell" sights for field artillery, ₹1,20,000 for purchase of machine guns and pack mountings for trial, and ammunition and components for "pompoms," ₹1,03,000 for increasing the popularity and efficiency of the volunteer force, ₹1,09,000 for improvement of submarine mining defences, and ₹88,000 for electric lights for coast defences at Bombay and Rangoon.

10. Among other causes of increased expenditure may be mentioned the following: Larger provision for an additional native mountain battery and for increased establishments (₹97,000), increased regimental pay and allowances (₹2,00,000), provision for full authorised reserves for the Native army (₹1,98,000), no deduction having been made as in the current year's budget for excess provision in the home estimates (₹4,25,000), improved sanitation of the Rangoon Cantonment sudder bazar (₹1,04,000), increased provision for camps of exercise and volunteer corps (₹2,01,000).

11. The foregoing increases will, however, be partly counterbalanced by certain decreases, the more important of which are the following :—

(*a*) Lower prices for food supplies for men and animals, ₹40,00,000.

(*b*) The provision for purchase of remounts and their road expenses is ₹29,37,000 less, as special provision was made in 1900-1901 for replacement of horses sent to South Africa and other requirements.

II.—Home (India) Military Estimates.

Revised Estimates, 1900-1901.

Comparison—
Revised for 1900-1901
and
Budget for 1900-1901.

The second of the estimates with which the Military Department is concerned is the home estimate for army effective and non-effective charges. The Home Budget Estimates for 1900-1901 provided for a gross expenditure of £4 707,700, while in the Revised Estimates provision has been made to the extent of £4,362,200 or £345,700 less than the Budget Estimate.

2. This saving of £345,700 in the Revised, as compared with the Budget Estimate for 1900-1901, is chiefly due to the dislocation of the arrangements regarding Indian reliefs resulting in smaller payments on account of furlough allowances and pay, during the voyage, of British forces serving in India, and

"Indian Troop Service;" to decrease in the payments for stores, furlough allowances of officers of the Indian Service, pay and pensions of non-effective and retired officers of the Indian Service and retired pay, etc., of British forces for service in India.

The net figures of the Revised Estimate show a saving of £337,500 on those of the Budget Estimate for 1900-1901, due to a decrease in expenditure of £345,700 as explained above, and a decrease in receipts of £8,200.

Estimates, 1901-1902.

Comparison—Budget for 1900-1901 and Estimate for 1901-1902.

The receipts and expenditure for 1901-1902 are as follows:—

	Receipts.	Expenditure.	Net expenditure.
	£	£	£
Effective	248,300	2,814,800	2,566,500
Non-effective	18,500	2,413,700	2,395,200
TOTAL	266,800	5,228,500	4,961,700

The receipts for 1901-1902 include contributions to be made to the extent of £230,000 by the Imperial Government in respect of the cost of the transport of troops, and of military charges for Aden, and in consequence of the recommendations of the Royal Commission on Indian Expenditure; and compared with the Budget for 1900-1901 they show an anticipated total increase of £223,300. The total gross expenditure for 1901-1902 is higher by £520,800 than the amount provided in the budget for the preceding year. This amount is chiefly accounted for by the increased provision for ordnance and other army stores and to the expected return of troops from South Africa, and the resumption of transfers to the Army Reserve.

The gross charges on account of effective services, as estimated in the coming year, include payments to the War Office in respect of the British forces serving in India (£760,000); furlough allowances and pay during the voyage of British forces serving in India (£108,000); furlough allowances of officers of the Indian Service (£230,000); Indian Troop Service (£250,000); passage of officers and troops otherwise than in transports (£19,000); miscellaneous (£20,600); and stores for India (£1,427,200).

The gross charges on account of non-effective services are made up of the retired pay, etc., of the British forces for service in India (£600,000); pay of the non-effective Colonels of Royal Artillery (£22,700); pay and pensions of non-effective and retired officers of the Indian Service (£1,670,000), miscellaneous pensions, etc. (£84,000), and the Indian Military Service Family Pensions (£37,000).

The net expenditure for 1901-1902 is more by £297,500 than that for the preceding year, and, as explained above, this is due to an increase of £223,300 in receipts and £520,800 in gross expenditure.

III.—Military Works Estimates.

Excluding English expenditure, the Budget Estimate for 1900-1901 amounted to ₹1,15,09,000 (£767,267); the revised estimate of expenditure is taken at ₹1,05,00,000 (£700,000). There will, therefore, have been less expenditure in India of ₹10,09,000 (£67,267), which is due mainly to the transfer of funds to meet additional expenditure in England on stores and to an anticipated lapse of ₹7,48,000 (£49,867) on grants for works.

2. The Budget Estimate for 1901-1902, excluding English expenditure, is ₹1,31,74,000 (£878,267) or ₹16,65,000 (£111,000) more than that of 1900-1901. The difference is due to a special grant of ₹17,74,900 (£118,327)

being allowed for certain works which have been recognized by the Government of India as being of special urgency and importance.

3. The main heads of expenditure in the Military Works estimate amount to the following sums, in round figures:—

	₹
For original works, including those in progress and those to be commenced . . .	62,88,000 (£419,209)
„ repairs	34,63,000 (£230,867)
„ establishments and tools and plant . .	29,62,000 (£197,467)
„ Barrack Department establishment supplies and tools and plant	8,12,000 (£54,133)

4. Expenditure, amounting to ₹3,50,800 (£23,387), will be incurred on water-supply projects, ₹1,22,370 on sanitary works, ₹3,17,000 (£21,133) for coast and inland fortifications, and ₹1,74,000 for works on the North-West Frontier: ₹4,00,000 (£26,667) will be spent on the installation of mechanical punkah-pulling in barracks, and provision has been made in the budget for ₹8,00,000 (£53,333) for the cordite factory in the Nilgiris, ₹4,20,000 (£28,000) for the central gun-carriage factory at Jubbulpore, and also ₹3,00,000 (£20,000) for renewals of buildings, etc. The remaining works consist of those for new hospitals, barracks, etc., and will provide for the ordinary requirements of the Ordnance, Commissariat, Remount, and Marine Departments.

Excluding renewals, provision is made for 99 new works, of which 55 are in progress and 44 have yet to be commenced. A sum of ₹5,35,000 (£35,667) is provided for minor works costing less than ₹2,500 each.

IV.—Marine.

Revised Estimates, 1900-1901.

Comparison—
Revised for 1900-1901
and
Budget for 1900-1901.

The net total of the Budget Estimate of the Royal Indian Marine for 1900-1901 was ₹14,20,000 (£94,667), the Revised Estimate stands at ₹10,23,000 (£68,200), showing a decrease of ₹3,97,000 (£26,467).

The decrease is chiefly due to large recoveries from the Home Government in connection with the employment of Royal Indian Marine vessels on Imperial service. Also to larger deductions on account of recoveries for dockyard labour in connection with the China Expeditionary Force, and to reduced expenditure on repairs and on coal for His Majesty's ships of war in Indian seas, counterbalanced to some extent by increased expenditure under other heads owing to the troopships having been kept working throughout the year and to large local purchases of coal to meet requirements usually met by importing coal from England.

Estimates, 1901-1902.

Comparison—
Budget for 1900-1901
and
Estimate for 1901-1902.

The net total of the Marine Estimate for 1901-1902 is ₹14,40,000 (£96,000) against ₹14,20,000 (£94,667), the total of the Budget for 1900-1901 showing an increase of ₹20,000. This is caused by an increase in expenditure amounting to ₹75,000 (£5,000), due to the addition of the *Hardinge* to the establishment of vessels of the Royal Indian Marine and to other causes, counterbalanced by increased receipts of ₹56,000 (£3,733).

APPENDIX.

Statement of important measures of improvement in the army and in the defence of India since 1885.

1885.

Increase to the strength of the army.

In 1885 the permanent establishment of British troops was increased by the addition of—

Cavalry	1,332
Artillery	1,373
Infantry	7,952
TOTAL	10,657

The strength of the Native Army was increased by—

Cavalry	4,704
Infantry	11,968
Artillery, approximately	3,000
TOTAL	19,672

The approximate cost was calculated at £1,196,800 a year, excluding non-effective charges.

Increase and redistribution of garrison batteries.

Six companies of garrison artillery were added to the Indian establishment, and two of these were located at Roorkee and one each at Barrackpore, Bombay, Karachi, and Quetta. The garrison companies in India were redistributed in 1892.

The cost was approximately R3,18,000 initial, R9,12,000 annual.

Equipment of mountain batteries with 2·5-inch R. M. L. guns.

It was decided to re-arm the mountain batteries, and eventually all mountain batteries were gradually equipped with the 2·5-inch R. M. L. gun. It has now been decided to re-arm the mountain batteries with a new 10-pounder gun at a cost of R4,05,000.

Special defence works.

The question of improving the coast and frontier defences of India was taken up vigorously in 1885. Schemes were prepared by the Defence Committee and approved by the Secretary of State, and the cost of the proposed works was spread over a number of years. A new head of account called the "special defence works" was accordingly opened and special defence divisions formed at the various ports and on the frontier for the execution of the works. In 1890, after a general forecast of the expenditure on special defence works had been submitted to the Secretary of State, His Lordship's sanction was received to a total expenditure against Indian revenues of five crores and three lakhs, including the moiety of the cost of the works at Aden.

The works were practically completed in 1897 at an expenditure chargeable to Indian revenues of R4,08,00,850, *viz.* :—

	R
On works, including establishments and tools and plant	2,67,11,391
On armaments, floating defences, etc.	1,40,89,459
TOTAL	4,08,00,850

In addition, a sum of ₹11,78,435 was charged to the Home Government for a share of the cost of the Aden defences, and a sum approximating 50 lakhs was allowed for establishment charges for carrying out the works, tools and plant, etc.

Coast defences of India.

Designs for the principal defensive works at Aden were elaborated in 1883, were put in hand in the latter part of 1884 and were in progress until 1897. In 1885 the sanction of the Secretary of State was obtained to proposals for the defence of Bombay, Karachi, Calcutta, and Rangoon. In 1890 it was finally decided that the expenditure on coast defence works should be limited to ₹3,13,26,818,* including the cost of armament and floating defences. Special arrangements were made for the execution of the works which were completed in 1897 at a cost of ₹2,69,62,203 as shown below:—

	₹
* Works	1,54,47,600
Armaments and floating defences	1,58,79,218
TOTAL	3,13,26,818

These sums do not take account of expenditure on establishment, tools and plant:

PORTS.	Works.	Armaments and floating defences.	TOTAL.
	₹	₹	₹
Aden (excluding Imperial share)	27,85,138	16,28,941	44,14,079
Karachi	16,15,929	16,66,171	32,82,100
Bombay	96,73,111	39,98,567	1,36,71,678
Hooghly	6,08,388	14,07,120	20,15,508
Burma	9,42,848	18,40,612	27,83,460
General	6,45,286	1,50,092	7,95,378
TOTAL	1,62,70,700	1,06,91,503	2,69,62,203

The expenditure on works, besides providing the necessary batteries complete with arrangements for range and position-finding, etc., at the various ports, includes the cost of the following additional works:—At Aden, barracks for three batteries of Royal Artillery (₹5,93,663); at Karachi, a new lighthouse (₹1,11,865) and the removal of deep-water point and the extension of the east groyne (₹3,50,000); at Bombay, a wet basin (₹15,41,018); and in the Hooghly, land communications and new jetty (₹2,39,240), also a harbourage for two torpedo boats (₹1,27,501); at Rangoon, the protection of Syriam Bank against erosion which was threatening the battery (₹2,96,188), and accommodation for one garrison battery of Royal Artillery (₹1,07,363) at this place.

The outlay on armaments represents the provision of 10-inch B.-L. guns, 6-inch B.-L. guns, quick-firing guns, and R. C. machine guns with the necessary ammunition.

The floating defences comprise seven 1st class torpedo-boats, two torpedo gun-boats, and two turretships at Bombay re-armed with breech-loading guns.

Frontier defences of India.

Proposals for providing defence works on the North-West Frontier of India were submitted to the Secretary of State for the first time in 1885, although in 1883 and 1884 large proposals were made—and in some cases the work begun—for strategic railways and roads. In 1887 sanction was obtained to revised proposals, and in 1890 the Secretary of State finally sanctioned an expenditure of ₹1,88,47,312 * on both works and armament.

	₹
* Works	1,39,09,200
Armament	49,38,112
TOTAL	1,88,47,312

These frontier defences may be divided into three main groups, those in advance and rear of the Bolan pass and Peshin plateau, those for the defence of the Khyber pass and its debouchure, and thirdly those for strengthening certain important strategical points in rear and for the protection of our supply depôts.

The works have been completed and the armament provided, the final outlay being—

	R
On works	1,04,40,691
„ armament	33,97,956
TOTAL	1,38,38,647

Strategic Railways, Roads, and Bridges.

The expenditure on these has been R14,44,87,000 or £9,632,467.

Appointments and Organisation.

(Commissariat-Transport Department.)

Consequent on the recommendations of the Army Organisation Commission, the appointment of Commissary General-in-Chief was created in 1885. No change was made at that time in the status of the Commissariat Departments of the three Presidencies, but that of Bengal was divided into two circles, each under a Commissary General. In 1889 all three administrations were brought under the Government of India; and in 1899, with the introduction of a system of promotion for officers by length of departmental service, the former separate lists for each Presidency were amalgamated into one list for all future appointments.

1886.

Formation of reserves for the Native Army.

In 1886 a plan to provide a reserve for the Native Army was sanctioned by which men passing into the reserve, still belonged to their respective regiments. Reservists are required to do an annual training, and when called up for service rejoin their regimental depôts.

The scheme was limited at first to the Bengal Army and Punjab Frontier Force, and subsequently extended in 1887 to the Madras and Bombay Armies.

Two reserve forces were originally formed:—the active reserve and the garrison reserve; the former was limited to 218 men per battalion of infantry in Bengal, and 160 per battalion in Madras and Bombay, and the following in the artillery:—

Native mountain artillery—

Gunners 22
Drivers 34 } per battery.

British mountain batteries—

Native Drivers 34 per battery.

The garrison reserve was abolished in 1892.

In 1899 the reserve per regiment was raised to—

In infantry regiments of the Punjab and Bengal Commands, exclusive of Gurkha battalions and local corps. In Burma battalions of Madras infantry, excluding the 10th Burma (Gurkha) Rifles. In the 24th, 26th, 27th, 28th, 29th, and 30th Bombay Infantry.	280 reservists per regiment.
In the corps of Bengal Sappers and Miners	250 reservists.
In regiments of the Bombay Command, including the Bombay Sappers and Miners, but excluding the 24th, 26th, 27th, 28th, 29th, and 30th Bombay Infantry and local corps.	160 reservists per regiment.
In regiments of the Madras Command, including the Corps of "Queen's Own" Madras Sappers and Miners but excluding the Burma battalions of Madras Infantry.	60 reservists per regiment.

Raising of military police in Bengal and Bombay for service in Burma.

The military police force required for the pacification of Burma was raised in India in 1886 and 1887.

In March 1886 a force of 3,000 was raised in Northern India.

In July 1886 two additional police battalions were raised and in October 1886 the raising of 2,000 additional military police was ordered.

In December 1886 4,000 additional police was raised.

In 1887 a military police battalion of 500 men was raised and another force of 4,000 police.

In 1888 three additional levies were raised as follows :—

Shan States Levy	600 Punjabis.
Mogaung Levy	500 Gurkhas and hillmen.
Chin Levy	400 Punjabis and 200 Hindustanis.

The total number of Indian police sanctioned for Upper Burma amounted to about 18,500. The military police in Burma is a highly efficient force.

Mobilisation of the army.

A general mobilisation committee was formed in 1886, and it was decided that the plan of mobilisation should be by "army corps" for service beyond the frontier, and "divisions" or "brigades" of all arms, according to circumstances, for service within the frontiers of India, or beyond sea.

This was changed in 1890 to the system of mobilisation by divisions. The basis of the plan is mobilisation by stations, *i.e.*, certain stations are detailed from which the troops will be withdrawn in order to form the field army. Obligatory garrisons for all India have been laid down.

Special grants have been made from time to time to facilitate mobilisation arrangements.

Raising of additional Native mountain batteries.

To provide for the requirements of Burma, two additional Native mountain batteries were raised in 1886, at an approximate cost of ₹3,20,000 initial and ₹2,80,000 annual.

Water-supply of cantonments.

Special attention has been given to the subject of the water-supply of cantonments, and for some years nine lakhs of rupees were expended annually on works of this class. The following important projects have been carried through since 1886:—Chakrata, Peshawar, Mhow, Allahabad, Dum-Dum, Lucknow, Agra, Dagshai, Subathu, Murree, Rawal Pindi, Bangalore, Meerut, Quetta, Secunderabad. The mobilisation camps have been provided with supplies of piped water.

1887.

Enlargement of the arsenal at Rawal Pindi.

In January 1887, in connection with the scheme for the defence of the North-West Frontier, the Secretary of State sanctioned such extension of the Rawal Pindi arsenal as appeared to the Government of India to be necessary. A scheme for providing the additional accommodation required to fully meet existing or immediately prospective conditions was drawn up and sanctioned in May 1888, and the enlargement was completed in 1891-92 at a cost of ₹1,41,000. A further extension of the arsenal was sanctioned in 1898 on the recommendation of a special committee and is being carried out at an estimated cost of ₹1,98,930.

Scheme of regimental institutes.

In 1887, with a view to increase the comfort and well-being of the British soldier in India, it was decided, with the approval of the Secretary of State, to combine, improve and develop the reading and general recreation rooms and the canteens and

refreshment shops which were then maintained for British troops in India under the designation of regimental institutes. A scale of accommodation was laid down and the scheme has been carried out as far as funds have permitted.

Amalgamation of the Supply and Transport Branches, Commissariat Department.

The Supply and Transport Branches of the Commissariat Departments in the three Presidencies were amalgamated in February 1887.

1888.

Reorganisation of the commands and staff in India.

The reorganisation of the commands and staff in India was carried out in 1888. The principal changes introduced were:—

The Generals' commands were reduced from 33 to 30 and were divided into 1st class districts commanded by Major-Generals, and 2nd class districts commanded by Colonels with the temporary rank of Brigadier-General.

The larger stations were placed under the command of Colonels on the Staff.

The divisional and district staff (musketry staff excluded) in the Adjutant General's and Quartermaster General's Departments were amalgamated, the combined duties being performed by officers designated "District Staff Officers, 1st class," and "District Staff Officers, 2nd class." These designations have since been altered to Assistant Adjutant General and Deputy Assistant Adjutant General. The estimated saving by the above measures was R2,21,052.

Introduction of improvements in the organisation of the Hyderabad Contingent.

In 1888 the conditions of service in the Hyderabad Contingent were improved:

(i) The establishment of British officers was increased from four to six per regiment (subsequently increased in 1890 to eight).

(ii) The artillery, cavalry and infantry, respectively, were linked together.

(iii) The rates of good-conduct pay and pensions and half-mounting allowance were assimilated to those in force for the regular army.

Transfer of the Horse-Breeding Department from the Military to the Revenue and Agricultural Department.

The question of the transfer of the administration of the Horse-Breeding Department from the Military to the Revenue and Agricultural Department was considered by a conference at Delhi in 1888, and the transfer was carried out in 1889.

Re-armament of the turretships and provision of seven torpedo and two gun-boats for coast defences.

In 1888 8-inch B.-L. guns were substituted for the old 10-inch M.-L. guns on board the turretships *Abyssinia* and *Magdala*, which form part of the defences of Bombay, costing, with sundry alterations to the ships, £47,430.

Provision of gun-boats for Bombay and torpedo-boats for the several ports in India, and transfer of the India defence vessels to the control of the Admiralty.

In 1886–88 two additional gun-boats were sanctioned for Bombay, costing £130,000, as well as seven torpedo-boats for the several Indian ports, costing about £89,000.

The last of these arrived in India in July 1889. In 1890 the vessels referred to were handed over to the control of the Admiralty under certain conditions.

1889.

Organisation of Mounted Infantry in Upper Burma.

In 1889 325 British and 680 Native mounted infantry were raised for service in Upper Burma.

Engineer Field and Siege Parks.

In 1889 measures were taken to complete the engineer field parks at Rawal Pindi and Quetta and to keep this equipment separate from all other stock and ready for immediate issue when required. Similar precautions have since been taken as regards the field park units at Karachi.

Re-armament of Royal Horse and Field Artillery in India.

In 1889 horse and field batteries were re-armed with 12-pounder B.-L. guns, and during 1897—99 sanction was accorded to the substitution of pole for shaft draught in batteries of horse and field artillery and the conversion of field artillery guns to take 15-pounder projectiles at an estimated cost of six lakhs. Cordite ammunition was gradually introduced for these services at an eventual cost of £46,500. In 1900 the introduction of the spade brake, the tray system of carrying ammunition, and the assimilation of all carriages and wagons to one pattern with pole draught was sanctioned for field artillery at a cost of R12,59,740.

Reorganisation of the establishment of officers of the Military Accounts Department.

This was undertaken to meet the requirements of the second circle of military accounts and audit in the Bengal Presidency, and also to provide travelling inspectors of accounts. Consolidated rates of salaries were introduced.

Extension of the Foundry and Shell Factory at Cossipore.

To enable the Foundry and Shell Factory at Cossipore to undertake the manufacture of the fuzes used with the new 12-pounder B.-L. guns and to carry out the repairs of these guns, it became necessary to extend the foundry. The work was put in hand in 1889 and completed during 1892-93 at a cost of R1,72,000.

1890.

Amalgamation of the three Staff Corps.

(*a*) In 1890 the Bengal, Madras, and Bombay Staff Corps were amalgamated as the Indian Staff Corps under Royal Warrant, dated 28th January 1891.

(*b*) The "General List" of cavalry and infantry ceased to exist as separate bodies except for succession to Colonel's allowance.

Increase to ammunition columns.

In 1890 the number of wagons per ammunition column unit was increased from three to six, the 33 additional wagons required being sent at once to the ammunition column stations.

Re-arrangement of the commands and staff of the Royal Artillery.

In 1890 India was divided for the purpose of artillery commands into six artillery circles. The artillery and the forts in each circle were placed under the supervision of a Colonel on the Staff so far as armament, equipment, and inspection are concerned. On the abolition of the presidential army system in 1895 the commands and staff were re-arranged: the artillery in each command was placed under the supervision of a Colonel on the Staff with the temporary rank of Brigadier-General.

Construction of a wet basin in the Dockyard at Bombay and deepening of the Duncan Dock.

In 1890 projects were sanctioned for the construction of a wet basin in the Dockyard at Bombay, and for deepening the Duncan Dock at a total estimated cost of ₹18,32,641. The works were completed in 1898 and 1893, respectively.

Military Works.

The Military Works Department was extended to the Madras and Bombay Presidencies.

1891.

Reconstitution of the 24th and 26th Bombay Infantry.

In 1891 the reconstitution of the 24th and 26th Bombay Infantry as frontier (Baluchistan) regiments was undertaken.

In 1898 their composition was again changed to—

Classes.	24th Bombay Infantry Companies.	26th Bombay Infantry Companies.
Hazaras	2	2
Pathans { Khattaks	1	1
Pathans { Waziris	1	1
Punjabi Mahomedans	2	0
Baluchis and Brahuis	0	2
Sikhs, other than Jat Sikhs	2	2

Grant of increased pay to the Native Cavalry.

In 1891 the pay of silladar cavalry was raised as notified in G. G. O. No. 224 of 1891. The cost was appoximately ₹8,68,500.

Artillerymen for the armaments of the coast and frontier defences and inland forts.

In 1891, in order to increase the number of artillerymen for coast and frontier defences, 25 men were added to each of the 23 garrison artillery companies in India at a cost of ₹3,75,000. The existing 222 lascars were increased to 650 and placed on the footing of fighting men. This measure cost ₹53,489 initial and ₹1,50,919 annually.

Manufacture of steel in India.

In 1891 the manufacture of steel for projectiles and gun-carriages was recommended to the Secretary of State, and the proposals having been approved, the steel factory at Cossipore commenced work in June 1892. The result has been most satisfactory, and the scope of the factory has been considerably developed. The initial cost of the measure was ₹1,25,000; the annual cost ₹5,700.

Establishment of a harness and saddlery factory in Southern India.

In 1891 the establishment of a second factory in India for the supply of harness, saddlery, and accoutrements was determined on, but owing to lack of funds the complete scheme was never accomplished. In 1898, however, the harness and saddlery workshops in the Bombay Arsenal were abolished and the similar workshops at Madras were enlarged so as to meet the requirements of both Madras and Bombay Commands in this respect with a resulting saving of ₹6,337 a year.

1892.

Establishment of recruiting centres.

Recruiting centres in each of which a depôt was established were established for the regiments of the Bengal Army in 1892 at a cost of about a lakh for the first year, with a recurring annual charge of ₹75,000, each to form the centre of a recruiting district. Each centre is under the control of the recruiting staff officer with or without one or more assistant recruiting staff officers. The system of recruiting centres was extended to the Native troops in the Bombay Command in 1896 at a cost of about ₹32,500 per annum.

Reorganisation of the Intelligence Branch.

In 1892 the Intelligence Branch of the Quartermaster General's Department was reorganised at a cost of about ₹55,000 per annum—

(*a*) An Assistant Quartermaster General was appointed head of the branch.
(*b*) The branch was divided into four sections, each under a Deputy Assistant Quartermaster General, a Staff Captain and a paid attaché with an adequate clerical staff.
(*c*) The staff pay of Staff Captains was in 1899 increased from ₹150 to ₹250 per mensem.
(*d*) The formation of an Intelligence Section in the office of the Assistant Adjutant General, Hyderabad Contingent, was sanctioned in 1892.
(*e*) An Intelligence Branch for Burma was sanctioned in May 1890 and continued until April 1900, when a small Burma Section was added to the Intelligence Branch of the Quartermaster General's Department at Simla.

Local battalions for service in Burma.

In order to increase the efficiency of the Madras Army in 1892, the 30th and 31st Madras Infantry were reconstituted as the 5th and 6th Burma Battalions. In 1894 the 29th Madras Infantry was similarly converted into the 7th Burma Battalion.

These local battalions were formed from men transferred from the Burma Military Police as shown below:—

10th	Madras	Infantry	(1st	Burma	Battalion)	from the	Kubo Valley Police Battalion.
12th	,,	,,	(2nd	,,	,,)	,,	Chin Levy.
33rd	,,	,,	(3rd	,,	,,)	,,	Shan States Levy.
32nd	,,	,,	(4th	,,	,,)	,,	Myingyan Military Police Battalion.
30th	,,	,,	(5th	,,	,,)	,,	Pyinmana and Katha-Magwe Military Police Battalions.
31st	,,	,,	(6th	,,	,,)	,,	Shwebo Military Police Battalion.
29th	,,	,,	(7th	,,	,,)	,,	Magwe and Mandalay Military Police Battalions.

The approximate cost of this measure was ₹2,42,000.

Revision of the hutting system in the Native Army.

In 1892, with a view to provide improved accommodation for the Native Army, the system of hutting was revised. An annual grant for the reconstruction of lines in Bengal is given.

Full hutting-money is still admissible, but in lieu of half hutting-money a monthly repair allowance of ₹100 per regiment has been introduced.

In Madras a uniform system has been adopted, under which the ownership of the huts will be gradually transferred to the State, the men being granted an allowance for maintaining the huts in good condition. An annual grant of ₹70,000 is given accordingly for repairs, etc., of lines.

Similarly, the Bombay Army has been given an annual grant of ₹50,000, *i.e.*, ₹18,000 for repairs and ₹32,000 for the construction gradually of new lines. The accommodation for the Punjab Frontier Force is provided by the Military Works Department at the cost of the State, while the Gurkha battalions at permanent stations are given special grants when new lines or reconstruction become necessary, and a repair allowance every four years.

Establishment of a reserve of horses.

The establishment of a reserve of 1,000 horses to meet the demands of field service was sanctioned in 1892, but money for it was not forthcoming until 1896. The initial cost was about seven lakhs. Recurring cost on account of feed, keep, etc., ₹1,50,000.

1893.

Reorganisation of Hindustani regiments on the class regiment system.

In order to attract a better class of recruit and to render service in these regiments more popular, they were reorganised in 1893 as class regiments as follows :—

Group.	Class.	Centre.
1st and 3rd Bengal Infantry	Brahmins	Allahabad.
2nd, 4th, and 16th Bengal Infantry	Rajputs	Agra.
7th, 8th, and 11th Bengal Infantry	„	Lucknow.
6th and 10th Bengal Infantry	Jats	Delhi.
13th Bengal Infantry	Rajputs	„
5th and 12th Bengal Infantry	Musalmans	Bareilly.
17th and 18th Bengal Infantry	„	Benares.
9th Bengal Infantry to be linked with 39th Garhwal Rifles	Khas Gurkhas	Lansdowne.

Since then the 5th, 12th, 17th, and 18th Bengal infantry have been linked together with their regimental centre at Benares.

The approximate cost of this measure was ₹78,000 *plus* charges on account of (*i*) change in uniform, (*ii*) cost of transit of transfers, (*iii*) pensions and gratuities.

Additions to the strength of the Ordnance Department.

The personnel of the Ordnance Department was increased in 1893 by an addition of three officers to the number of Assistant Superintendents of Factories so as to provide an Assistant Superintendent for each factory. (Annual cost ₹20,408.) A further increase of four officers was made in 1896 in order to provide a small reserve at an annual cost of ₹30,128.

Inspectors of Ordnance Machinery.

Five Inspectors of Ordnance Machinery were added to the Department in 1893 in view of the necessity for specially skilled supervision for the B.-L. guns and hydro-pneumatic mountings at the coast defence stations.

Magazine rifles for British troops in India.

During 1893 the British infantry were re-armed with the Lee-Metford rifle at a cost of £327,500, and it was decided in 1897 to re-arm the seven regiments of British cavalry with Lee-Enfield carbines and the Royal Artillery with converted Martini-Enfield artillery carbines ; this re-armament was completed in 1899.

Exchange Compensation.

Exchange compensation allowance was given to all servants of Government not domiciled in India to compensate them for the depreciated value of the rupee in which currency their salaries are paid, and a privileged rate of exchange for furlough allowances calculated in Indian currency, when paid in England, was fixed.

Rules for the preparation and submission of accounts of British troops on field service.

The old system for the preparation and rendering of accounts on field service having failed in the Miranzai and Hazara Expeditions, a new system was introduced for the use of British troops in the field.

1894.

Reorganisation of the Bombay Army.

In 1894 the composition of the Bombay Army was changed, class companies being formed and a proportion of foreigners enlisted; men belonging to non-fighting classes were eliminated. The revised composition was notified in G. G. O. No. 311 of 1895.

Indian Army Reserve of Officers.

In order to provide officers on mobilisation taking place, the formation of an Indian Army reserve of officers was sanctioned in 1894, the regulations governing admission thereto being published in G. G. O. No. 308 of 1894.

Indian Articles of War.

In 1894 the Indian Articles of War (Act V of 1869) having been found defective, it was amended by a Bill (Act XII of 1894).

Reorganisation of the Military Works Services.

In May 1894 a committee was appointed under the Presidentship of the Honourable Mr. D. R. Lyall, Indian Civil Service, to report on the measures that would, in their opinion, be practicable to reduce establishment charges and percentages in the Military Works and Public Works Departments, and as to the best means of effecting economy without interfering with efficiency in the execution of military and public works. One of the recommendations of this committee was that the Military Works Department should be abolished, and that works done by that service should be transferred to the Public Works Department, which was to be manned by Royal Engineer officers only. The Government of India, however, decided that a separate agency for the execution of military works should be maintained, but that the organisation of the Military Works Department should be largely modified. It was proposed to abolish the graded system which had become unworkable, and to constitute the service on a purely military basis. Detailed proposals for carrying out this change were submitted to the Secretary of State in July 1897. Under the revised arrangements, which involved the abolition of the Military Works Department, employment upon military works duties was to be the normal duty of Royal Engineer officers in India, and this employment was to be considered regimental duty. It was proposed that the new organisation should follow the lines of the system in force in the Imperial Service at Home and in the Colonies adapted to suit the reorganisation of the Army in India in four Commands. These proposals received the sanction of the Secretary of State in March 1899, and the reorganisation was brought into effect from 1st October of that year.

1895.

Abolition of the presidential army system.

In 1895 the great reform which had been discussed for so many years was carried out, the Bengal Army was sub-divided into the Bengal and Punjab Commands and the presidential armies of Madras and Bombay were formed into two Commands, the Quetta District going to Bombay and Burma to the Madras Command. The whole army of India, consisting of the Punjab, Bengal, Madras, and Bombay Commands, each under a Lieutenant-General, was placed under the direct command of the Commander-in-Chief in India and the control of the Government of India. The staff of each Command was re-arranged and assimilated as far as possible.

Increase to the pay of the Native Army.

In June 1895 the pay of all non-commissioned ranks in the Native Artillery, Sappers and Miners, and the Native Infantry was increased by ₹2 per mensem. The Madras Cavalry, the Viceroy's Body-Guard, and the local corps shared in this increase. The increase in annual expenditure was about ₹30,00,000.

Increase of pay to the Hyderabad Contingent.

In 1895 the pay of sowars of the Hyderabad Contingent was assimilated to that of the Bengal and Bombay Cavalry, and in 1896 the increase of pay sanctioned for the Native Army was extended to the Hyderabad Contingent artillery and infantry.

Reorganisation of the Madras Army.

In 1895 it was decided to reorganise the Madras Army on the class company system, Telugus being eliminated.

Establishment of a Proof Department at Balasore.

In order to carry out the proof of projectiles manufactured at the Shell Factory, Cossipore, a proof department was established at Balasore in 1895, at an initial and an annual expenditure of ₹1,89,323 and ₹23,416, respectively.

The Secretary of State has also sanctioned the enlargement of the scope and establishment of this proof department so as to include the proof of small-arm ammunition, with effect from 1st April 1901. The cost of this will be only ₹36,000 initial and ₹17,117 annual.

Abolition of the Gunpowder Factories at Madras and Kirkee.

In consequence of the introduction of cordite, the gunpowder factory at Madras was abolished in 1895 and that at Kirkee was closed on 1st April 1900.

1896.

Amalgamation of the Bengal, Madras, and Bombay Branches of the Indian Medical Service.

In 1895-96 the Bengal, Madras, and Bombay Branches of the Indian Medical Service were amalgamated into one service under the direct administrative control of the Government of India. The Surgeon General with the Government of India was at the same time made the head of the amalgamated service, and his designation was changed to the Director General, Indian Medical Service.

Accounts.

Relief was afforded from the accumulated interest of the Patriotic Fund to the sufferers in the Chitral Relief Expedition, 1895.

Orders were issued that the rates payable to British troops serving in India on account of compensation in lieu of clothing and those recoverable from them on account of issues of clothing made on payment should be identical, and that they should be fixed at the actual cost of supplying the articles in India.

1897.

Military Works.

The high level road through the Bolan Pass which was commenced in 1882-83 was completed at a cost of ₹21,79,469.

Reorganisation of the Hyderabad Contingent.

In 1897 both cavalry and infantry regiments of the Hyderabad Contingent were organised on the class squadron and class company system and the future class composition laid down in G. G. O. No. 1165 of 1897.

Re-establishment of Cantonment Hospitals.

In consequence of the issue, in 1897, of new rules under the Cantonments Act (XIII of 1889), cantonment hospitals have been re-established at almost all the large stations garrisoned by British troops.

Sanitary Officers.

In 1897 the appointment, as an experimental measure, of three district sanitary officers for the sole duties of investigating the causes of disease and giving advice in sanitary matters was recommended to, and sanctioned by, the Secretary of State. The appointment of one sanitary officer for each Command has now been approved.

Accounts.

Measures were adopted by which it was hoped to obtain a more effectual check than formerly existed over claims to compensation for dearness of provisions and forage to Native troops and followers, together with a simplification of procedure in the submission and audit of such claims.

1898.

Raising an additional Mountain Battery.

An additional Native mountain battery was sanctioned in 1898, at an approximate cost of ₹1,60,000 initial and ₹1,40,000 annual.

Establishment of a Central Gun-Carriage Factory.

The establishment of a central gun-carriage factory at Jubbulpore in place of the three existing factories was recommended to Secretary of State in 1898 as conducive to economy as well as to efficiency in manufacture. The proposal has been approved and steps towards the establishment of the factory are now being taken. The initial cost is estimated at 26 lakhs, but there will, on the other hand, be an annual saving of nearly ₹1,20,000 on labour and establishments.

Changes in ordnance organisation.

With a view to increased efficiency and economy of manufacture, the ordnance factories were placed under the direct control of the Director General of Ordnance in 1898, a measure which resulted in a saving of ₹8,712 per annum.

As a corollary to the above change, the reorganisation of the Ordnance Department in India, by the reduction of the circles of ordnance supply from four to two, was recommended to the Secretary of State in June 1900, and received His Lordship's sanction. The reorganisation was carried into effect from 1st November 1900.

Accounts.

In consequence of the grant by the Imperial Government to British soldiers serving in England and the Colonies of a messing allowance of 3*d* per diem, similar measures were introduced in India, and, with the approval of the Secretary of State, orders were issued sanctioning the grant in India of a messing allowance of $2\frac{1}{4}$ annas a day to European non-commissioned officers and men in addition to their usual pay and extra-duty pay; and exempting them from the payment of the stoppage of 9 pies a day hitherto made on account of the grocery ration.

Formation of a Central Office of Audit and Account for dealing with the accounts of Ordnance Factories in India.

This measure was undertaken in consequence of the transfer of the direct control of the factories of the Ordnance Department in India to the Director General of Ordnance in India.

1899.

Redistribution of commands and staff on the North-Western Frontier.

In 1899 the commands and staff on the North-Western Frontier were redistributed as follows, and notified in India Army Circular No. 45 of 1900:—

(i) A 1st class district, under the General Officer Commanding Punjab Frontier Force was formed embracing the whole frontier from Abbottabad to Dehra Ghazi Khan.

(ii) The Brigadier-General Commanding the Peshawar District became subordinate to the General Officer Commanding Punjab Frontier Force.

(iii) A new 2nd class district, styled the Derajat District, was formed under the General Officer Commanding Punjab Frontier Force.

Military position on the North-Western Frontier.

On the conclusion of military operations on the Punjab Frontier in 1898, the whole question of the military position on the North-Western Frontier was thoroughly considered by the Government of India, and in 1899 it was decided to withdraw regular troops from the Khyber, expanding the Khyber rifles, that regular troops should be withdrawn from the Samana, Kurram, Tochi, and the Gomal and Shahur Valleys, and that thereafter these places should be garrisoned by militia or military police.

Cantonment Regulations.

Under the authority of the Cantonments Act (XIII of 1889), rules have been drawn up for the administration of cantonments. The rules were finally published and given effect to in 1899.

Provision of an adequate war reserve of Military Assistant Surgeons.

The necessity for providing a larger reserve of military assistant surgeons to meet the requirements of the field army on mobilisation was considered in 1899, and a scheme was put forward which has now been sanctioned. This involved an increase to the establishment, the cost of which is estimated at—

	₹
Initial	1,55,160 spread over five years.
Annual recurring	7,250 in the sixth year and thereafter.

Horse runs for Native cavalry.

In view of the increasing difficulty experienced by Native cavalry in obtaining suitable remounts, a scheme for the establishment of horse runs by these regiments on irrigable land was sanctioned in 1899. Grants of land on favourable terms were made on the Chenab Canal and loans of money allowed to enable regiments to start operations. The experiment is now under trial.

North-Western Frontier defences.

The defences at the Malakand, including Chakdara, in the Khyber, and on the Samana were strengthened and improved so as to be proof against tribal attack.

Accounts.

The rules relating to payment of compensation for dearness of provisions were modified so as to provide for compensation being based on the local price of that quality of food-grains which would be ordinarily eaten by the class of men to which the Native soldier or follower belongs.

Pensions.

The rates of wound pensions admissible to non-commissioned officers and soldiers of the Native Army were considered inadequate and, with the sanction of the Secretary of State for India, were increased.

Organisation of transport.

The experience of the Chitral and Tirah Expeditions led to prolonged consideration by two special committees and by the Government of India of the whole subject of organising the standing transport so as to adapt it to the much larger requirements of mobilisation. In 1899 a provisional scheme for organising a large part of the existing transport into corps and cadres was approved, and this has now been merged into a more extensive scheme for the maintenance of organised transport units, which has

received the sanction of the Secretary of State. Simultaneously, in 1899, rules were formulated and approved for the organisation into units of all transport hired or purchased in time of war; and in order to facilitate the collection of such transport from private owners, the terms to be allowed for hire of animals or men were carefully detailed and widely published. A further measure with the same object is the compiling of an accurate census of transport, which is now in preparation, and the maintenance of registration officers permanently in districts. The scheme for enrolling camels from the grantees on the lands adjacent to the Chenab Canal has been most successful.

The organisation of transport has necessitated the addition of 38 officers to the Transport Branch of the Commissariat-Transport Department at a cost of ₹6,20,000 annually. The total extra cost is ₹19,40,000.

Complement of transport.

Questions connected with the maintenance of a large standing transport have been very prominent in the years under review. The complement of transport which had been developed in 1885 was increased in 1891 by 2,000 mules at a cost of eight lakhs. A further increase of 1,750 mules was sanctioned in 1896 in connection with the provision of mobilisation equipments for the divisions of the field army, and again by 2,000 mules in March 1900, when the total authorised complement of mules became 22,270.

1900.

Volunteers.

Since 1885 the strength of the volunteer force has risen from 13,368 to 31,000 approximately at the present time. During this period several new corps have been formed and the formation of reserves has been sanctioned.

In 1892 Government sanctioned an annual grant of ₹30,000 for volunteer buildings, and ₹20,000 annually for field days, and the camp of exercise grant was raised from ₹15,000 to ₹60,000. Wound and injury pensions to volunteers, and pensions to their widows, have been granted under certain conditions; the capitation for mounted and artillery volunteers has been raised by ₹10, and the same amount is paid to infantry volunteers trained in gun drill in addition to ordinary capitation. The volunteer officer's decoration and volunteer long-service medal have been extended to India, and volunteer officers are given an outfit allowance of ₹100 on first appointment.

Withdrawal of detachments of troops from isolated positions.

In pursuance of the policy of withdrawing detachments from isolated and unimportant stations as far as may be consistent with the internal safety of the Empire, a number of small stations have been given up, and troops have been generally concentrated at the more important strategic centres whence they can be more readily drawn for mobilisation, and can also be better trained.

Manufacture of cordite in India.

The experimental manufacture of a small quantity of cordite at Kirkee having, after prolonged trial, proved that this explosive could be made in India equal in quality to that produced in England, the establishment of a cordite factory in the Arvenghat Valley, Nilgiri Hills, was finally decided on, and the factory is now in course of erection. The manufacture is expected to result in a large saving as compared with the cost of cordite imported from England, and to recoup the initial cost within a very few years.

Lyddite filling factory.

It has been decided to fill lyddite shell in India, and the factory will form a branch of the Small-Arms Ammunition Factory, Kirkee.

Hut accommodation at the summer camps in the Murree Hills and at Chakrata, Ranikhet, and Dalhousie.

For the benefit of the health of the troops summer hutted camps in the hills have been established at Gharial, Kuldanna, Kalabagh, Thobba, Khyra Gully, Bara Gully,

Dalhousie, Chakrata, and Ranikhet, but want of funds has prevented the development of the policy as much as could be desired.

Supply—Grass and Dairy Farms.

In matters connected with supplies for troops the establishment of Government dairies has been prominent since 1889, when in consequence of the representations of a committee on the prevalence of enteric fever dairies were established experimentally at Allahabad, Bareilly, and Rawal Pindi. The first-named was attached to the grass farm at that station, and under the management of Lieutenant (now Captain) Meagher has attained to a state of considerable prosperity, all the troops in the garrison being supplied with excellent dairy produce. It was then determined to work dairies—wherever possible—in conjunction with grass farms, and under advice from Captain Meagher such combined farms have been started and are now working satisfactorily at Lucknow, Cawnpore, and Umballa; dairies have also been inaugurated at Aden, Mhow, Jubbulpore, Agra, etc., in most cases under the direction of Captain Meagher. At the same time it was recognised that to ensure success, whether of grass or dairy farms, trained and continuous management was necessary. A system has therefore been adopted which places all farming operations under a Director of Farms in the Punjab and Bengal, respectively, and Assistant Directors as well as subordinates to manage local farms are trained at the Allahabad Farm by Captain Meagher, who has been appointed Director of Farms in Bengal.

In concluding this summary, I would point out that it does not, except in a few instances, embrace the various proposals which have been made and sanctioned for the years 1900-1901 and 1901-1902, as many of these have not yet been carried to completion; and I have also alluded to these especially in my memoranda on the estimates, in March 1900, and in that which I now submit. The expenditure which has been accepted by the Government of India on these measures amounts to ₹3,48,28,140. The improvements represented by this expenditure include the re-armament of the Native Army, increase to the officers of the Army and of the Commissariat-Transport Department, the reorganisation and increase of the Artillery, establishment of mounted infantry, improvements in the volunteer force, the reorganisation of the transport, increase in horses, important proposals connected with mobilisation and equipments, increase in amount of ammunition issued, improvement in equipment of the field batteries, new mountain guns, completion of hospitals and medical equipment, provision of field railway, large development of manufacturing power, higher efficiency in coast defences, and a great many other items.

E. H. H. COLLEN, *Maj.-Genl.*

March 20, 1901.

APPENDIX III.

Memorandum by the Hon'ble Sir Arthur Trevor, K.C.S.I.

It was explained in the memorandum appended to the Financial Statement this time last year that in consequence of certain changes, of which a summary was given, in the procedure for the consideration of Railway Projects, the memorandum would then and for the future be confined mainly to the presentment of such details in connection with the Railway Programme for the ensuing and two following years as do not find a place in the Financial Statement.

For any information which may be wanted in regard to proposals not in the programme, reference is invited to the History of Railway Projects revised and brought up to date which was issued in October last.

2. In connection with the form of the present programme which is printed as Statement A to this memorandum, there are two points which call for notice.

The first is that for the grouping according to the source from which the expenditure is to be met, and the agency to be employed, which has hitherto been adopted, a new grouping has been substituted which is designed to illustrate the principle on which the resources available have been distributed.

That principle is that, in framing the railway programme, the amount required to meet the needs of open lines, so far as they can be foreseen, should be regarded as a first charge upon the money available for railway purposes, and that every effort should be made to provide in full for all demands arising out of the development of existing traffic—that next in order provision should be made for the steady prosecution and early completion of lines in progress, preference under this head being given to Companies' lines over those under construction by the agency of the State, and, lastly, for new projects which depend on the ability of the State to find money to complete them without financial embarrassment to the Government.

In the abstract at the end the totals are given according to the old as well as according to the new grouping for facility of comparison.

3. The other point is that in order to admit of the continuous application of the principle above stated, the minimum of £$\frac{1}{2}$ crores, which was adopted last year as the basis of the programme for the years following that actually dealt with in the Budget, has been abandoned. The forecast for 1902-1903 and 1903-1904 has been based on the aggregate of the actual demands so far as they can be at present foreseen by the Railway administrations concerned, for open lines and lines under construction, which alone come to 10$\frac{1}{4}$ crores for 1901-1902 and nearly 7 crores for 1902-1903. The obligation to find this amount if possible being accepted, it will remain to consider in connection with the preparation of the Estimates for each successive year whether the amount can be found or not; if not, in what directions reduction can be effected with the least mischief, and if, on the other hand, the financial position is as easy as may be hoped for, how far it is possible to go in undertaking new lines from among those shown in Statement B, in addition to the comparatively obligatory provision for lines open and in progress.

4. As has been explained on former occasions it must be clearly understood that except in so far as it embodies the actual Budget provisions for the year next ensuing, the whole programme is provisional only, that the order of priority given to the new projects which it is proposed to include in it, as funds permit, is always liable to reconsideration, and that the actual inception of any particular project depends on its final acceptance by the Government of India and the Secretary of State, on the financial situation when the time comes, and in some cases on the possibility that offers may be received for its construction by a Company which may admit of its being carried out independently of the programme.

5. Turning to details it will be observed that, whereas the total of the sums shown in the programme presented last March for the year now ending amounted to Rs. 7,30,84,000 only and included no provision for any new railway, the Government of India have been able during the course of the year to make supplementary grants for different lines, raising the total to Rs. 8,30,75,000, and that out of these grants it has been possible to commence work on the Gondia-Jubbulpur line, one of the three projects

mentioned in paragraph 5 of last year's memorandum as having been struck out owing to the pressure of famine demands, and also on a second line, the Midnapur-Jherriah, which was shown last year as for commencement in 1901-1902 only.

Of the other two lines struck out last year the Dhulia-Amalner line is for the present in abevance owing to the transfer of the Great Indian Peninsula Railway to the State and the Godra-Baroda Chord still awaits the possibility of providing funds.

The commencement of the 4th line, that from Sakri to Jainagar, to which reference was made in the same paragraph, has unfortunately been delayed by the inability of the Bengal and North-Western Railway Company to raise the necessary funds on debentures the currency of which they were obliged to limit to the short unexpired term of their contract for the working of the Tirhoot State Railway, of which the Sakri-Jainagar line will form a part. This difficulty has lately been got over, it is understood, by the Secretary of State's acceptance of liability for debentures of a suitable term after the determination of the Tirhoot Contract, and it is hoped the line may now soon be put in hand.

6. For 1901-1902 the allotments amount to Rs. 10,32,44,000 against the minimum of 6½ crores shown in the programme last year. So far as can at present be foreseen the whole of this amount will be required to meet the pressing needs of open lines and for the energetic prosecution of lines under construction, including the three lines recently commenced, namely, the Khushalgarh-Kohat, Gondia-Jubbulpur and Midnapur-Jherriah, but it is hoped that later in the year it may be possible to find a place for the commencement of the section of the Godhra-Baroda Chord in British territory. For the length in Baroda territory funds will be found by the Durbar.

In 1902-1903 we may hope, if the present financial position is maintained, to commence the first ten or twelve of the lines entered in Statement B and most of the remainder in 1903-1904.

7. The usual summary of railway progress giving the lengths of the lines is entered as an Statement E to this memorandum.

8. The capital expenditure on railways falling within the categories now included in the programme for the ten years from 1892-93 to 1901-1902 is shown below:—

[Lakhs of rupees.]

	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
Capital expenditure on open lines	108	120	184	167	240	179	221	335	405	460
On construction of new lines	472	392	390	421	654	691	661	562	426	572
TOTAL	580	512	574	588	894	870	882	897	831	1,032

9. The subjoined table shows the progress made in the development of railway communication, including lines financed by Native States or Companies outside the programme, during the 5½ years of my officiating and substantive tenure of the office of Public Works Member:—

YEAR.	AT COMMENCEMENT OF YEAR.			DURING THE YEAR.		REMARKS.
	Opened.	Commenced but not open.	Sanctioned but not commenced.	Opened.	Sanctioned.	
1895-96	18,855	2,195	22	821	2,415	
1896-97	19,677	3,741	48	713	1,054	
1897-98	20,390	4,008	129	743	917	
1898-99	21,156	3,948	349	1,339	631	
1899-1900	22,491	2,454	286	1,266	732	
1900-1901	23,763	2,597*	430	1,386	392	* Of which 1,300 miles will probably be ready for opening in 1901-1902.
TOTAL	...	...	...	6,268	6,141	

10. The exceptionally favourable character of the earnings from Railways during the years 1899-1900 was noticed in last year's memorandum, and it was anticipated that according to the revised estimates then available the customary loss on the direct railway account, that is, "the amount by which the net earnings fall short of the interest

charges which have to be met, including strategic railways and loss arising from the special exchange provisions of the old Railway contracts," would be reduced to about $1\frac{1}{4}$ lakhs. It is satisfactory to be able to announce that this anticipation has been more than fulfilled, and that the actuals show, for the first time in the history of Railways in India, an absolute surplus, which amounts to over $11\frac{1}{2}$ lakhs.

It was stated at the same time that with the cessation of the exceptional traffic due to the famine and the despatch of troops to South Africa a falling off was to be looked for, and in the estimates for the year now ending the probable deficit was put down at 73 lakhs, but according to the most recent estimates it appears that there will once more be an actual gain, this time of about $23\frac{1}{2}$ lakhs, on the direct account of the year. This result is no doubt partly due to the unfortunate continuance of famine conditions during earlier months of the year and to the movement of an unusually heavy crop of rice in Burma and of cotton in Bombay, but it is again distinctly encouraging.

The estimates for 1901-1902 allow for a deficit of about $24\frac{3}{4}$ lakhs.

11. Statement C is a list of Branch lines for the construction of which by private enterprise, outside the programme, arrangements have been made or are under consideration; and Statement D corresponds in a revised and amplified shape with Statement C, appended to last year's memorandum, which included a good many lines on which famine relief work, though sanctioned, was not actually undertaken. In connection with this Statement attention is invited to paragraph 6, page 2 of the last issue of the History of Railway Projects, where it is stated that Government will be prepared to receive proposals for the completion of some, if not all, of these lines on the understanding that the work already done will be given free of cost together with the land and the surveys already made.

A. C. TREVOR.

CALCUTTA;
March 20, 1901.

STATEMENT A IN APPENDIX III.

STATEMENT

OF

Anticipated Capital Expenditure on Railways, Open or under Construction, for which Government have accepted any direct financial responsibility for the three years 1901-1902 to 1903-1904, including all Open Lines.

Branch lines under Rebate terms are excluded.

Forecast of Capital Expenditure

(OMIT

No.	Railway.	Grants allotted for 1900-1901.	Proposed dis 1901-1902.
	OPEN LINES.	₹	₹
	By State Agency.		
1	Eastern Bengal	26,56	32,08
2	Oudh and Rohilkhand	9,76	15,30
3	North Western	51,78	48,47
4	Warora Colliery	—52	—10
5	Store and Reserve	—2,48	29,70
6	Hyderabad-Shadipalli Conn.	...	1,53
7	Other Minor Railways	—2,09	...
	Total Open Lines by State Agency	83,01	1,26,98
	By the Agency of Main Line Companies.		
8	East Indian	1,43,77	1,57,50
9	Rajputana-Malwa	27,44	21,24
10	Tirhoot	20,00	5,00
11	South Indian	3,75	12,00
12	Great Indian Peninsula	40,21	10,58
13	East Coast	7,40	3,69
14	Bezvada Extension	...	12
15	Guntakal-Mysore Frontier	6	...
16	Bhopal	50	2,50
17	Dhond and Manmad	33	2,00
18	Wardah Coal	...	5
19	Palanpur Deesa	...	4
	Total Open Lines by Agency of Main Line Cos.	2,43,46	2,14,72
	Carried over	3,26,47	34,170

on Railways—1901-1902 to 1903-1904.

TING 000.)

TRIBUTION OF GRANTS DURING—		No.	REMARKS.
1902-1903.	1903-1904.		
R	*R*		
32,98	10,23	1	
13,10	8,10	2	
27,26	25,25	3	
		4	
		5	
25,00	25,00	6	
		7	
98,34	68,58	...	
1,39,56	1,57,99	8	
32,00	17,80	9	
20,70	20,86	10	
8,18	6,89	11	
10,00	10,00	12	
		13	Section south of Visagapatam.
		14	
		15	
		16	
1,85	1,15	17	
		18	
		19	
2,12,29	2,14,69		
3,10,63	2,83,27		

Forecast of Capital Expenditure

(OMIT

No.	Railway.	Grants allotted for 1900-1901.	Proposed dis 1901-1902.
		₹	₹
	OPEN LINES—*contd.*		
	Brought forward .	3,26,47	3,41,70
	AGAINST THE CAPITAL ACCOUNTS OF THE OLD GUARANTEED RAILWAY COMPANIES.		
20	Great Indian Peninsula Railway	5,04	...
21	Madras	9,88	15,31
22	Bombay, Baroda and Central India	13,98	28,00
	Total Open Lines old Guaranteed Companies .	28,90	43,31
	AGAINST THE CAPITAL ACCOUNTS OF INDIAN RAILWAY COMPANIES OTHER THAN THE OLD GUARANTEED RAILWAY COMPANIES.		
23	Bengal Central	2,50	1,50
24	Bengal-Nagpur	10,17	9,51
25	Burma	9,50	24,00
26	Indian Midland and G. I. P.	17,29	31,00
27	Lucknow-Bareilly	3,74	2,95
28	Southern Mahratta (including Mysore)	6,00	6,00
	Total Open Lines other Railway Companies .	49,20	74,96
	TOTAL OPEN LINES—carried over .	4,04,57	4,59,97

on Railways—1901-1902 to 1903-1904—contd.

TING 000.)

TRIBUTION OF GRANTS DURING—		No.	REMARKS.
1902-1903.	1903-1904.		
₹	₹		
3,10,63	2,83,27		
...	...	20	
60,60	52,77	21	
28,35	27,00	22	
88,95	79,77		
2,00	2,00	23	
6,50	9,70	24	Including northern Section of East Coast Railway.
7,00	7,00	25	
28,45	15,87	26	
7,00	3,46	27	
8,25	7,75	28	
59,20	45,78		
4,58,78	4,08,82		

Forecast of Capital Expenditure on

(OMIT

No.	Railway.	Length.	Amount of estimate or approximate cost.	Outlay to end of 1899-1900.
		Miles.	₹	₹
	Total Open Lines—brought forward .			
	LINES UNDER CONSTRUCTION.			
	By Agency of Main Line Companies.			
29	Tirhoot, Hajeepore-Begum Sarai-Katihar extension .	158	1,22,31	1,07,69
30	Assam-Bengal (i) Construction chargeable to Part II (ii) Land chargeable to Part I .	736	*11,16,17	*8,99,74
	Assam-Bengal (iii) Chittagong jetties . . .	...	6,90	6,65
31	East Indian, Dehree-Daltonganj . . .	78	72,18	36,35
32	Madura-Pamban	91	68,91	2,83
33	Tinnevelly-Quilon, British section	49	24,28	3,28
34	Ditto Native State section . . .	58	...	...
	Total .	1,170	14,10,75	10,56,54
	Against the Capital Account of the old Guaranteed Railway Companies.			
35	Amalner-Jalgaon branch, G. I. P. R. . . .	69	78,24	53,52
	Chalisgaon-Dhulia branch, G. I. P. R.			
36	Calicut-Cannanore branch, Madras railway . .	64	76,73	15,99
	Total .	133	1,54,97	69,51
	Against the Capital Account of Indian Railway Companies other than the old Guaranteed Railway Companies.			
37	Bengal-Nagpur . Sini-Midnapur-Cuttack-Calcutta	345	8,14,22	7,06,07
	Bengal-Nagpur . Raipur-Dhamtari . . .	56	11,41	
	Bengal-Nagpur . Midnapur-Jherria Extension .	114	1,07,81	
	Bengal-Nagpur . Jubbulpore-Gondia . . .	253	85,11	
38	Burma Mandalay-Kunlon	477	4,79,90	2,12,26
	Burma Meiktila-Myingyan			
	Burma Sagaing-Monywa-Alon			
	Burma Thonze-Henzada-Bassein Extension . .			
	Total .	1,245	14,98,45	9,18,33
	Total Lines under Construction by Companies —carried over .	2,548	30,64,17	20,44,38
	Total Open Lines—carried over .	...	...	...

* Includes ₹3,65,60,000 from Company's funds.

Railways—1901-1902 to 1903-1904—contd.

TING 000.)

Grants allotted during 1900-1901.	Proposed distribution of grants during—			No.	Remarks.
	1901-1902.	1902-1903.	1903-1904.		
₹	₹	₹	₹		
4,04,57	4,59,97	4,58,78	4,08,82		
30,88	20,46	...	...	29	To be completed in 1902.
91,60	83,45	50,38	42,13	30	„ „ 1904.
25,93	30,00	...	...	31	„ „ 1902.
15,72	35,00	...	...	32	
7,70	20,00	4,80	2,36	33	„ „ 1902.
15,95	49,44	...	...	34	
1,87,78	2,38,35	55,18	44,49		
—15,77	...	...	...	35	„ „ 1901.
29,51	28,00	65	1,00	36	„ „ 1902.
13,74	28,00	65	1,00		
70,87	1,65,00	64,58	...	37	„ „ 1903.
88,35	72,74	97,24	74,00	38	Construction of Mandaly-Kunlon beyond Lashio uncertain.
1,59,22	2,37,74	1,61,82	74,00	...	
3,60,74	5,04,09	2,17,65	1,19,49	...	
4,04,57	4,59,97	4,58,78	4,08,82		

Forecast of Capital Expenditure on

(OMIT

No.	Railway.	Length.	Amount of estimate or approximate cost.	Outlay to end of 1899-1900.
		Miles.	₹	₹
	Total Open Lines—brought forward . . .	...	...	...
	Total Lines under Construction—brought forward	2,548	30,64,17	20,44,38
	LINES UNDER CONSTRUCTION.—*contd.*			
	By Branch Line Companies.			
39	Hardwar-Dehra	32	26,05	25,12
40	Brahmaputra-Sultanpore	60	26,44	21,31
	Total against the Capital Account of Branch Line Companies	92	52,49	46,43
	By the State.			
41	Nowshera-Dargai	40	14,87	7,64
42	Eastern Bengal—Rungpore-Dhubri, etc. . .	51	45,44	17,79
43	Hyderabad-Balotra	75	31,51	19,39
44	Khushalgur Kohat and Kohat Thal . . .	105	34,48	...
45	Ghaziabad-Moradabad	87	82,71	57,41
46	Indus Bridge	...	31,01	28,49
47	Agra-Delhi Chord	121	90,76	94
48	Godavari Bridge	...	59,70	52,54
	Total—Lines under Construction by the State .	479	3,90,48	1,84,20
	Total—Lines under Construction . .	3,119	35,07,14	22,75,01
	Grand Total—Open Lines and Lines under Construction . . .	...	...	...

Railways—1901-1902 to 1903-1904—contd.

TING 000.)

Grants allotted during 1900-1901.	Proposed distribution of grants during—			No.	Remarks.
	1901-1902.	1902-1903.	1903-1904.		
£	£	£	£		
4,04,57	4,59,97	4,58,78	4,08,82		
3,60,74	5,04,09	2,17,65	1,19,49		
75	1,57	...	...	39	Opened for traffic.
3,80	2,70	...	...	40	
4,55	4,27	...	...		
7,69	16	...	...	41	Opened for traffic.
21,59	42,22	6,70	...	42	To be completed 1902.
3,98	18	...	...	43	" " 1901.
4,60	20,00	...	...	44	
19,16	1,44	...	...	45	
—25	11	...	...	46	
12	...	...	...	47	
4,00	...	...	...	48	
60,89	64,11	6,70	...		
4,26,18	5,72,47	2,24,35	1,19,49		
8,30,75	10,32,44	6,83,13	5,28,31		

Statement of Forecast of Capital Expenditure

(OMIT

No.	Railway.	Proposed 1901-02
	ABSTRACT BY OPEN LINES AND CONSTRUCTION.	*R*
	I.—Capital for Open Lines.	
	i. By State Agency	1,26,98
	ii. By agency of Main Line Companies	2,14,72
	iii. By „ „ old Guaranteed Companies	43,31
	iv. By „ „ other Railway Companies	74,96
	v. By „ „ Branch Companies	...
	Total Open Lines	4,59,97
	II.—Capital for Lines under Construction by Companies.	
	i. By agency of Main Line Companies	2,38,35
	ii. By „ „ old Guaranteed Railway Companies	28,00
	iii. By „ „ other Railway Companies	2,37,74
	iv. By „ „ Branch Line Companies	4,27
	Total Lines under Construction by Companies	5,08,36
	III.—Capital for Lines under Construction by the State	64,11
	Grand Total	10,32,44
	ABSTRACT SHOWING DISTRIBUTION BY FUNDS.	
I.—From Imperial Funds.	(i) By State Agency (a) Open Lines	1,26,98
	(i) By State Agency (b) Construction	64,11
	Total	1,91,09
	(ii) By the Agency of Main Line Companies. (a) Open Lines	2,14,72
	(ii) By the Agency of Main Line Companies. (b) Construction	2,38,35
	Total	4,53,07
	Total I	6,44,16
II.—Against the Capital Accounts of the old Guaranteed Railway Companies.	(a) Open Lines	43,31
	(b) Construction	28,00
	Total II	71,31
III.—Against the Capital Accounts of Indian Railway Companies other than the old Guaranteed Railway Companies.	(a) Open Lines	74,96
	(b) Construction	2,37,74
	Total III	3,12,70
IV.—Against the Capital Accounts of Branch Line Companies which are in receipt of a firm Government Guarantee.	(a) Open Lines	...
	(b) Construction	4,27
	Total IV	4,27
Total, I to IV	(a) Open Lines	4,59,97
	(b) Construction	5,72,47
	GRAND TOTAL	10,32,44

on Railways—1901-1902 to 1903-1904—concld.

TING 000).

DISTRIBUTION OF GRANTS DURING		REMARKS.
1902-03	1903-04	
R	R	
98,34	68,58	
2,12,29	2,14,69	
88,95	79,77	
59,20	45,78	
...	...	
4,58,78	4,08,82	
55,18	44,49	
65	1,00	
1,61,82	74,00	
...	...	
2,17,65	1,19,49	
6,70	...	
6,83,13	5,28,31	
98,34	68,58	
6,70	...	
1,05,04	68,58	
2,12,29	2,14,69	
55,18	44,49	
2,67,47	2,59,18	
3,72,51	3,27,76	
88,95	79,77	
65	1,00	
89,60	80,77	
59,20	45,78	
1,61,82	74,00	
2,21,02	1,19,78	
...	...	
...	...	
4,58,78	4,08,82	
2,24,35	1,19,49	
6,83,13	5,28,31	

STATEMENT B

List of new lines to be taken up as funds permit with the estimated yearly

(OMIT

No.	Railway.	Length.	Estimated cost.
	CAPITAL FOR PROPOSED NEW LINES IN ORDER OF URGENCY.	Miles.	₹
1	Coonoor-Ootacamund	12	18,62
2	Godhra-Baroda Chord	44	34,12
3	Quadrupling Eastern Bengal State Railway	26	50,36
4	Allahabad-Fyzabad	97	1,23,69
5	Agra-Delhi Chord	121	90,76
6	Bara-Ajmer-Marwar	200	90,00
7	Azikhal-Mangalore	78	1,08,62
8	Burdwan-Howrah Chord	42	56,33
9	Raipur-Vizianagram	310	2,50,40
10	Gya-Katrasgarh	108	1,26,29
11	Bareilly-Soron	63	53,60
12	Trichinopoly-Tirukoilur	97	74,43
13	Nagda-Bara-Muttra	355	3,50,69
14	Madras Famine Branches	186	40,00
15	Nanjangode-Erode	120	1,23,03
16	Dhubri-Gauhati Extension	151	1,65,41
17	Bombay-Sind Connection	360	3,24,00

IN APPENDIX III.

provision required to ensure an economical rate of progress when once started.

TING 000)

Approximate amount to be spent each year from commencement of work.				No.	Remarks.
First year.	Second year.	Third year.	Future years.		
₹	₹	₹	₹		
9,00	9,62	...	...	1	
14,00	20,12	...	...	2	
25,00	25,36	...	...	3	
31,00	31,00	30,00	31,69	4	
30,00	30,00	30,76	...	5	
30,00	30,00	30,00	...	6	
36,00	36,00	36,62	...	7	
30,00	26,33	...	...	8	
60,00	60,00	60,00	70,40	9	
50,00	50,00	26,29	...	10	
30,00	23,60	...	...	11	
32,00	42,43	...	...	12	
90,00	90,00	90,00	80,69	13	
10,00	10,00	10,00	10,00	14	
50,00	50,00	23,03	...	15	
40,00	40,00	45,41	40,00	16	
90,00	90,00	90,00	54,00	17	

The amounts shown are liable to modification in cases where it may be found advisable to make a small grant in the first year to cover the cost of preparations for rapid progress in the next.

STATEMENT C IN APPENDIX III.

Statement showing the Branch lines proposed or which are the subject of negotiations for construction under rebate terms.

No.	Name of railway.	Length.	Cost.	Remarks.
		Miles.	Rs.	
1	Bhagulpur-Bausi-Baidyanath .	69	65,31,000	Negotiations concluded.
2	Kurnool-Road-Kurnool . .	32	9,88,000	
3	Bezwada-Masulipatam . .	50	53,50,000	
4	Amritsar-Tarn-Taran-Patti .	30	17,24,300	
5	Sabarmati-Dholka . . .	33	13,08,000	
6	Raichur-Wondalli . . .	43	12,53,300	
7	Tilagaon-Sylhet . . .	39	38,00,000	Negotiations in progress.
8	Akhaura-Bhairab Bazar . .	19	16,18,000	
9	Fatehpur-Markundi . .	61	42,70,000	
10	Chandipur-Taki . .	38	20,00,000	
11	Laksam-Noakhalli-Ichakhali .	39	23,40,000	
	Branch lines without a guarantee or rebate.			
12	Hooghly-Cutwa . . .	65	63,11,900	Negotiations in progress.
13	Burdwan-Cutwa . . .	34	8,11,300	
14	Ranaghat-Ganges-Kathihar .	290	4,70,00,000	Concession granted.

STATEMENT D IN APPENDIX III.

New Railway Projects started as Famine Relief Works.

Railway.	Length.	Estimated cost.	WORK DONE.						
			Earth-work.			Ballast.			
			Quantity.	Rate per 1,000 c. ft.	Value.	Quantity.	Rate per 100 c. ft.		Value.
	Miles.	Rs.	C. ft.	Rs. A.	Rs.	C. ft.	Rs.	A. P.	Rs.
Bombay—									
Sabarmati-Dholka (metre gauge) .	33·00	13,07,966	13,222,509	3 8	46,278	...	...		...
Baroda-Godra Chord (5′ 6″ gauge) .	45·00	34,12,000	17,418,373	3 8	60,965	2,320	2	0 0	46
Barsi-Tadwala extension, Barsi Light railway (2′ 6″ gauge)	28·00	11,09,350	16,273,049	3 8	56,955	...	...		...
Deesa-Tharad (metre gauge) . .	62·00	17,36,000	10,980,330	3 8	38,431	1,169,900	2	0 0	23,398
Miyagaum Sinor (2′ 6″ gauge) . .	18·00	5,76,032	4,124,314	3 8	14,435	...	...		...
Vijapur-Kalol-Kadi (metre gauge) .	41·80	13,97,622	24,633,090	3 8	86,215	...	...		...
Dhrangadra-Mallia (metre gauge) .	49·56	16,63,800	27,100,000	3 8	94,850	200,000	2	0 0	4,000
Manund Road Bechraji (metre gauge)	24·92	10,19,601	3,525,000	4 0	14,100	...	...		...
Bahadurpur-Songhir (2′ 6″ gauge) .	9·45	4,57,505	125,000	5 0	625	...	...		...
Padra Ranu extension, Vishvamitra-Padra railway (2′ 6″ gauge).	4·25	1,11,660	300,000	3 8	1,050	...	...		...
Panjab—									
Agra-Delhi chord (5′ 6″ gauge) .	121·16	90,76,346	17,650,000*	3 8	61,775	120,200	1	2 9	1,413
Rewari-Phulera (metre gauge) .	133·00	36,36,700	82,000,000	2 7	2,02,000	735,135	1	8 0	11,037
Rajputana (Ajmere-Merwar)—									
Bara-Ajmere-Marwar (metre gauge) .	200·71	89,96,247	92,803,355	4 7	4,12,832	985,631	1	5 0	13,025
Nasirabad-Kekri Sawar (metre gauge)	49·00	21,95,278	12,975,150	3 4	50,388	190,092	1	8 0	2,851
Tonk-Jeharpur (metre gauge) . .	70·85	31,62,877	5,217,723	3 4	17,226	51,596	1	5 0	678
Central Provinces—									
Satpura (2′ 6″ gauge) . . .	252·67	85,10,901	29,570,506	4 0	1,18,282	2,096,732	1	2 9	35,264
Raipur-Vizianagram (5′ 6″ gauge) .	310·62	2,50,42,336	3,300,000	4 0	13,200	140,927	2	0 0	2,818
Bilaspur-Mungeli (5′ 6″ gauge) . .	32·00	22,40,000	13,199,319	4 0	52,797	590,975	2	0 0	11,819
Hyderabad (Berars)—									
Khandwa-Akola-Basim (metre gauge)	171·96	1,16,12,749	31,847,442	3 8	1,11,465	738,273	1	2 9	14,082
Kamgaon-Jalna (2′ 6″ gauge) . .	93·55	26,41,601	21,341,574	3 8	74,694	832,115	2	0 0	16,642
					15,28,564				1,37,073

* Work done on 53·50 miles in the Punjab and nothing in the North-Western Provinces and Oudh.

Note.—Of the lines shewn in Appendix C to the memorandum, dated 21st March 1900, famine relief work, though sanctioned was not actually undertaken on the following :—

Gaekwar's Mehsana railway, Kheralu-Dhabora extension.
Nadiad-Kapadvanj.
Velachha-Kanarar-Kosamba.
Jamnagar-Sataya.
Gwalior-Sabalgarh.
Meerut-Gurhmucktessar.
Madhopur-Sikar Branch.
Jech-Bar.
Dholia-Vankaner-Rajkot.

STATEMENT E IN APPENDIX III.

Memorandum on the construction of railways.

		Miles.	Miles.
(i)	East Indian	1,836·15	4,312·72
	Bengal Central (*a*)	125·01	
	Bengal-Nágpur	1,196·16	
	Indian Midland	796·25	
	Bhopal-Itársi (*British section*)	(*b*) 13·11	
	Godhra-Rutlam-Nágdá	(*c*) 141·14	
	Wardha Coal	(*d*) 44·88	
	Dhond-Manmád	(*d*) 145·14	
	Bezwada extension (East Coast State)	(*e*) 20·58	
(ii)	North-Western	(*f*) 2,953·80	5,043·29
	Hyderabad-Shadipalli	(*g*) 56·31	
	Oudh and Rohilkhand	950·76	
	Eastern Bengal	268·04	
	Calcutta Port Commissioners'	8·53	
	East Coast, including Bezwada-Madras	(*h*) 803·25	
(iii)	Great Indian Peninsula	1,301·00	2,612·13
	Bombay, Baroda and Central India	460·90	
	Madras	841·23	
(iv)	Delhi-Umballa-Kalka	(*i*) 162·24	874·84
	Tarkessur	(*i*) 22·23	
	South Behar (Luckeeserai-Gya)	(*i*) 78·83	
	Southern Punjab (*Delhi-Samásata*)	(*g*) 423·72	
	Hardwar-Dehra	(*j*) 32·05	
	Tápti Valley	(*e*) 155·77	
(v)	Khámgaon	(*d*) 7·55	703·55
	Amráoti	(*d*) 5·44	
	Bina-Goona-Bárán	(*b*) 145·21	
	Bhopal-Ujjain	(*b*) 113·27	
	Bhopal-Itársi (*Native state section*)	(*b*) 44·28	
	The Nizam's Guaranteed State	(*k*) 330·13	
	Nágdá-Ujjain	(*c*) 34·32	
	The Gaekwar's Petlád	(*c*) 13·35	
	Kolar Gold-fields	(*l*) 10·00	
(vi)	Rajpurá-Bhátinda	(*g*) 107·05	122·97
	Jammu and Kashmir (*Native state section*)	(*g*) 15·92	
(vii)	Bengal and North-Western—		7,051·88
	Tirhoot section	414·97	
	Company's section (*m*)	743·00	
	Lucknow-Bareilly section (Rohilkund and Kumaon)	231·17	
	Rajputana-Malwa	(*c*) 1,674·57	
	Pálanpur-Deesa	(*c*) 17·28	
	Southern Mahratta	1,042·04	
	Guntakal-Mysore frontier	(*n*) 119·50	
	Mysore section (Southern Mahratta)	296·00	
	South Indian	1,030·53	
	Máyavaram-Mutupet	(*o*) 54·08	
	Assam-Bengal	435·45	
	Burma	993·29	
(viii)	Eastern Bengal—		644·63
	Northern and Behar sections (*including the Kaunia-Dharlla, 2′ 6″ guage, branch*)	479·11	
	Dacca section	85·92	
	Cawnpore-Burhwal (*Metre gauge link*)	(*p*) 79·60	
(ix)	Deoghur	4·79	347·56
	Brahmaputra-Sultanpur	(*q*) 24·50	
	Mymensingh-Jamalpur-Jagannathganj	(*q*) 53·37	
	Rohilkund and Kumaon (*Company's section*)	53·92	
	Segowlie-Raxaul	(*r*) 18·09	
	Bengal Dooars	36·40	
	Dibru-Sadiya	77·50	
	Ledo and Tekak-Margherita Colliery	(*s*) 7·50	
	Ahmedabad-Parántij	(*c*) 54·59	
	Nilgiri	(*l*) 16·90	
(x)	The Gaekwar's Mehsána	(*c*) 92·63	381·58
	Hyderabad-Godávari Valley	(*t*) 154·23	
	Kolhápur	(*n*) 29·07	
	Yesvantpur-Mysore frontier	(*n*) 51·35	
	Mysore-Nanjangúd	(*n*) 15·80	
	Birur-Shimoga	38·50	
(xi)	Jodhpur-Bikaner	475·50	997·98
	Udaipur-Chitor	67·30	
	Bhávnagar-Gondal-Junágad-Porbandar	(*u*) 333·84	
	Jetalsar-Rajkot	(*v*) 46·23	
	Jámnagar	(*v*) & (*w*) 54·28	
	Dhrángadrá	(*v*) 20·83	
(xii)	West of India Portuguese	51·00	73·25
	Pondicherry	(*o*) 7·80	
	Karaikkal-Peralam	(*o*) 14·45	
(xiii)	Jorhat (2′ 0″)	28·00	36·00
	Cherra-Companyganj (2′ 6″)	(*x*) 8·00	
(xiv)	Darjeeling-Himalayan (2′ 0″)	51·00	192·40
	Bársi Light (2′ 6″)	21·59	
	Howrah-Amta (2′ 0″)	28·69	
	Howrah-Sheakhalla (2′ 0″)	19·75	
	Ranaghat-Krishnagar (2′ 6″)	20·25	
	Tárakeshwar-Magra (2′ 6″)	31·12	
	Tezpur-Balipara (2′ 6″)	20·00	
(xv)	Gwalior Light (2′ 0″)	(*b*) 126·14	242·31
	The Gaekwar's Dabhoi (2′ 6″)	(*c*) 78·80	
	Rajpipla (2′ 6″)	(*c*) 37·37	
(xvi)	Cooch Behar (2′ 6″)	(*q*) 33·62	33·62
(xvii)	Morvi (2′ 6″)		93·07

(*a*) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.
(*b*) Worked by the Indian Midland Railway Company.
(*c*) Worked by the Bombay, Baroda and Central India Railway Company.
(*d*) Worked by the Great Indian Peninsula Railway Company.
(*e*) Although forming an integral part of the East Coast State railway, this line is shown separately as it is worked by the Nizam's Guaranteed State Railways Company.
(*f*) Including 0·12 miles of military line not used for public traffic.
(*g*) Worked by the North-Western State railway.
(*h*) Including 2·66 miles mixed-gauge and 0·35 mile metre-gauge.
(*i*) Worked by the East Indian Railway Company.
(*j*) Worked by the Oudh and Rohilkhand State railway.
(*k*) Including 2·19 miles, Trimulgherry troop siding, constructed but not used for ordinary public traffic.
(*l*) Worked by the Madras Railway Company.
(*m*) Although for convenience classed amongst State railways, this line is the property of the Bengal and North-Western Railway Company.
(*n*) Worked by the Southern Mahratta Railway Company.
(*o*) Worked by the South Indian Railway Company.
(*p*) Excluding 3·66 miles of the Lucknow-Bareilly railway between Daliganj and Aishbagh, but including the length, Bara Banki to Burnwal 10·70 miles, and the length over Cawnpore bridge 0·59 mile laid on a mixed gauge.
(*q*) Worked by the Eastern Bengal State railway.
(*r*) Worked by the Bengal and North-Western Railway Company.
(*s*) Worked by the Assam Railways and Trading Company.
(*t*) Worked by His Highness the Nizam's Guaranteed State Railway Company.
(*u*) Including 4·50 miles of Bhávnagar Dock estates and Junágad quarry lines.
(*v*) Worked by the Bhávnagar-Gondal-Junágad-Porbandar railway.
(*w*) Including 3·99 miles of Bedi-Bandar Dock estate sidings.
(*x*) Closed for traffic from 25th March 1900.

At the commencement of 1900-1901, *i.e.*, on the 1st April 1900, the total length of railways open for traffic was 23,763·78 miles, made up as follows:—

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies	4,312·72	
(ii) State lines worked by the State	5,043·29	
(iii) Guaranteed companies	2,612·13	
(iv) Assisted companies	874·84	
(v) Lines owned by native states and worked by companies	703·55	
(vi) Lines owned by native states and worked by State railway agency	122·97	
		13,669·50
Metre gauge—		
(vii) State lines worked by companies	7,051·88	
(viii) State lines worked by the State	644·63	
(ix) Assisted companies	347·56	
(x) Lines owned by native states and worked by companies	381·58	
(xi) Lines owned and worked by native states	997·98	
(xii) Foreign lines	73·25	
		9,496·88
Special gauges—		
(xiii) State lines worked by the State	36·00	
(xiv) Assisted companies	192·40	
(xv) Lines owned by native states and worked by companies	242·31	
(xvi) Lines owned by native states and worked by State railway agency	33·62	
(xvii) Lines owned and worked by native states	93·07	
		597·40
TOTAL		23,763·78

2. And the mileage under construction or sanctioned for construction on the same date was 3,018·03 miles, as follows:—

		Miles.	Miles.
Standard gauge—			
(i)	State lines worked by companies	431·35	
(ii)	State lines worked by the State	171·90	
(iii)	Guaranteed companies	109·87	
(iv)	Assisted companies	0·79	
(v)	Lines owned by native states and worked by companies	20·75	
(vi)	Lines owned by native states and worked by State railway agency	79·61	
			814·27
Metre gauge—			
(vii)	State lines worked by companies	1,009·06	
(viii)	State lines worked by the State	132·19	
(ix)	Assisted companies	151·56	
(x)	Lines owned by native states and worked by companies	382·39	
(xi)	Lines owned and worked by native states	307·85	
			1,983·05
Special gauges—			
(xii)	State lines worked by companies	55·73	
(xiii)	State lines worked by the State	41·90	
(xiv)	Assisted companies	91·16	
(xv)	Lines owned by native states and worked by companies	31·81	
(xvi)	Lines owned by native states and worked by State railway agency	0·11	
			220·71
TOTAL			3,018·03

There was thus a grand total of railways completed and in hand, on the 1st April 1900, of miles . 26,781·81

			Miles.	Miles.	Miles.
(i)	East Indian—				
		Shikohabad to Farukhabad	(a) 65·82		
		Bárun to Daltonganj	78·32		
		Sitarampore to Domohani	6·99		
		Pandra branch of Jherriah extension	3·24	154·37	
	Bengal Central—				
		Dum-Dum Cantonment to Pattipooker		2·68	
	Bengal-Nágpur—				
		Kola riverside to Howrah	36·50		
		Cossye to Midnapore	2·25		
		Midnapore to Bujudih	(a) 114·39	153·14	
	Agra-Delhi chord			(a) 121·18	431·35
(ii)	North Western—				
		Toba Tek Singh to Khanewal	57·00		
		Kotri to Hyderabad	5·30		
		Peshawar to Jumrood	12·00	74·30	
	Oudh and Rohilkhand—				
		Ghaziabad to Moradabad		87·05	
	Eastern Bengal—				
		Panchoorria to the Ganges		6·00	
	East Coast—				
		Gódavari bridge		4·55	171·90
(iii)	Great Indian Peninsula—				
		Chalisgaon to Dhulia	34·84		
		Dharangaon to Amalner	15·28	50·12	
	Madras—				
		Calicut to Azhikal		59·75	109·87
(iv)	Southern Punjab (*Delhi-Samáta*)—				
		Delhi Brewery to Delhi			0·71
(v)	Petlad-Cambay				20·75
(vi)	Ludhiána-Dhuri-Jakhal				79·61
(vii)	Bengal and North-Western—				
	Tirhoot section—				
		Hajeepore to Bachhwara	44·25		
		Thana Bihpur to Katihar	52·83		
		Sakri to Jainagar	(a) 30·47	160·55	
	Company's section—				
	Ganges-Gogra Doab lines—				
		Azamgarh to Shahganj	(a) 33·00		
	South Indian—				
		Madura to Toni Tarai	94·00		
		Tinnevelly-Quilon (Travancore) branch (British section)	46·47	140·47	
	Assam-Bengal—				
		Damchara to Makum		300·31	
	Burma—				
		Sedaw to the right bank of the Salween river	217·72		
		Sagaing to Alon	71·00		
		Bassein *vid* Henzada to Letpadam	119·01	407·73	1,009·06
(viii)	Eastern Bengal—				
		Teesta bridge at Kaunia	4·87		
		Moghalhat to Dhubri	38·83		
		Alipur-Duar to Jainti (Cooch Behar-Santrabari extension, British section, 2′ 6″ gauge)	19·44	c 63·14	
	Shadipalli-Balotra (British Section)—				
		Shadipalli to Jodhpur frontier		69·05	132·19
(ix)	Brahmaputra-Sultanpur—				
		Bogra to Kaliganj		35·00	
	Bengal Dooars—				
		Mal to Hantupara	44·00		
		Dam Dim to Bagrakote	6·76		
		Barnesghat to Lalmanir Hat	65·80	116·56	151·56
(x)	Hyderabad-Godávari Valley—				
		Sailu to Secunderabad		230·93	
		Vijapur-Kalol		29·60	
		Shoranur-Cochin		65·00	
		Tinnevelley-Quilon (Travancore) branch (Native state section)		56·86	382·39
(xi)	Jodhpur-Bikaner—				
	Jodhpur section—				
		Barmer to Jodhpur frontier	75·00		
	Bikaner section—				
		Dulmera to Bhatinda	160·00	235·00	
	Jaipur—				
		Sanganer to Siwal-Madhopur		72·85	307·85
(xii)	Raipur-Dhamtari branch (Bengal-Nagpur) (2′ 6″)—				
		Raipur to Dhamtari		45·45	
		Abhanpur to Rajim		10·28	55·73
(xiii)	North-Western—				
		Nowshera to Dargai (2′ 6″)			41·90
(xiv)	Bársi Light (2′ 6″)—				
		Bársi Road to Pandharpur	(a) 33·16		
	Kalka-Simla		58·00		91·16
(xv)	Rewah—				
		Rewah to Sutna			(a) 31·81
(xvi)	Cooch Behar (2′ 6″)—				
		Torsa bridge and approaches			0·11

(a) Commencement of work not yet authorized.

		Miles.	Miles.	Miles.
(i)	Lucknow-Bareilly section (Rohilkhánd and Kumaon)—			
	Dudwa to Mohan river		5·96	
	Máyavaram-Mutupet—			
	Mutupet to Arantangi		45·38	51·34
(ii)	Bengal-Nágpur—			
	Jubbulpore to Gondia (2′ 6″)		143·43	
	Neinpur to Mandla		21·75	
	Neinpur to Seoni		47·13	
	Seoni to Chindwara		40·36	252·67
(iii)	North Western—			
	Khusálgarh-Kohat-Thal (2′ 6″)			88·12
(iv)	East Indian—			
	Pandra branch of the Jherriah extension		3·24	
	Bengal-Nágpur—			
	Kola riverside to Howrah		36·50	39·74
(v)	North Western—			
	Toba Tek Sing to Khanewal	57·00		
	Kotri to Hyderabad	5·30		
	Peshawar to Jumrood	12.00	74·30	
	Oudh and Rohilkhánd—			
	Moradabad to Ghaziabad		87·05	
	Eastern Bengal—			
	Panchooria to the Ganges		6·00	
	East Coast—			
	Godavari bridge at Rajahmundry and approaches		4·55	171·90
(vi)	Great Indian Peninsula—			
	Dharangaon to Amalner		15·28	
	Chalisgaon to Dhulia		34·84	50·12
(vii)	Ludhiana-Dhuri-Jakhal			79·61
(viii)	Bengal and North-Western—			
	Tirhoot section—			
	Hajeepore to Bachhwara	44·25		
	Thana Bihpur to Katihár	52·83	97·08	
	Assam-Bengal—			
	Lumding to Nazira		142·00	
	Burma—			
	Sedaw to Nawnghkio	60·00		
	Sagaing to Alon	71·00	131·00	
	Shadipalli-Balotra (British section)—			
	Shadipalli to Jodhpur frontier†		69·05	439·13
(ix)	Eastern Bengal—			
	Teesta bridge at Kaunia and approaches		4·87	
	Cooch Behar-Santrabari extension (British section) (2′ 6″)—			
	Alipur Duar to Jainti		18·22*	23·09
(x)	Brahmaputra-Sultanpur—			
	Bogra to Fulchhari		35·00	
	Bengal Dooars —			
	Dam Dim to Bagrakote	6·76		
	Barnes Junction to Lalmanir Hat	65·80	72·56	107·56
(xi)	Hyderabad-Godávari Valley—			
	Sailu to Purbhani	26·00		
	Secunderabad to Purbhani	204·93		230·93
(xii)	Jodhpur-Bikaner—			
	Jodhpur section—			
	Barmer to Jodhpur frontier		75·00	
	Bikaner section—			
	Dulmera to Suratgarh		72·00	147·00
(xiii)	Raipur-Dhamtari branch (Bengal-Nágpur) (2′ 6″)—			
	Raipur to Dhamtari	45·45		
	Abhanpur to Rajim	10·28		55·73
(xiv)	North Western—			
	Nowshera to Dargai			41·90
(xv)	Cooch Behar—			
	Torsa bridge and approaches			0·11

3. During 1900-1901, *i.e.*, from 1st April 1900 to 31st March 1901, 392·13 miles of new railway have been authorized as follows :—

	Miles.	Miles.
Metre gauge—		
(i) State lines worked by companies	51·34	
		51·34
Special gauges—		
(ii) State lines worked by companies	252·67	
(iii) State lines worked by the State	88·12	
		340·79
TOTAL		392·13

And 1,386·82 miles have been or are likely to be opened to public traffic as follows :—

	Miles.	Miles.
Standard gauge—		
(iv) State lines worked by companies	39·74	
(v) State lines worked by the State	171·90	
(vi) Guaranteed companies	50·12	
(vii) Lines owned by native states and worked by State railway agency	79·61	
		341·37
Metre gauge—		
(viii) State lines worked by companies	439·13	
(ix) State lines worked by the State	23·09	
(x) Assisted companies	107·56	
(xi) Lines owned by native states and worked by companies	230·93	
(xii) Lines owned and worked by native states	147·00	
		947·71
Special gauges—		
(xiii) State lines worked by companies	55·73	
(xiv) State lines worked by the State	41·90	
(xv) Lines owned by native states and worked by State railway agency	0·11	
		97·74
TOTAL		1,386·82

* Correction of mileage.
† Worked by the administration of the Jodhpur-Bikaner railway.

4. The total length of open line at the commencement of 1901-1902, *i.e.*, on the 1st April 1901, will, therefore, be 25,155·70 miles, comprising—

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies	6,517·38	
(ii) State lines worked by the State	4,435·47	
(iii) Guaranteed companies	1,305·13	
(iv) Assisted companies	874·84	
(v) Lines owned by native states and worked by companies	703·55	
(vi) Lines owned by native states and worked by State railway agency	202·58	
		14,038·95
Metre gauge—		
(vii) State lines worked by companies	7,466·03	
(viii) State lines worked by the State	667·72	
(ix) Assisted companies	455·12	
(x) Lines owned by native states and worked by companies	612·51	
(xi) Lines owned and worked by native states	1,144·98	
(xii) Foreign lines	73·25	
		10,419·61
Special gauges—		
(xiii) State lines worked by companies	55·73	
(xiv) State lines worked by the State	79·90	
(xv) Assisted companies	192·40	
(xvi) Lines owned by native states and worked by companies	242·31	
(xvii) Lines owned by native states and worked by State railway agency	33·73	
(xviii) Lines owned and worked by native states	93·07	
		697·14
TOTAL		†25,155·70

		Miles.	Miles.
(i)	East Indian	1,839·39	
	Bengal Central (*a*)	125·01	
	Bengal-Nagpur including Barang-Waltair section of the East Coast State	(*b*) 1,539·46	
	Indian Midland	(*c*) 796·25	
	Great Indian Peninsula	(*d*) 1,357·12	
	Bhopal-Itarsi (*British section*)	(*c*) 13·11	
	Godhra-Rutlam-Nagdá	(*e*) 141·14	
	Wardha Coal	(*f*) 94·88	
	Dhond-Manmád	(*f*) 145·44	
	Bezwada extension (East Coast State)	(*g*) 20·58	
	Washermenpet-Vizagapatam section, East Coast State	(*h*) 495·00	6,517·38
(ii)	North-Western, including Ferozepore Kot-Kapura section	(*i*) 3,056·18	
	Hyderabad-Shadipalli	(*j*) 58·91	
	Oudh and Rohilkhánd	1,037·81	
	Eastern Bengal	274·04	
	Calcutta Port Commissioners'	8·53	4,435·47
(iii)	Bombay, Baroda and Central India	460·90	
	Madras	844·23	1,305·13
(iv)	Delhi-Umballa-Kalka	(*k*) 162·24	
	Tarkessur	(*k*) 22·23	
	South Behar (*Luckeeserai-Gya*)	(*k*) 78·83	
	Southern Punjab (*Delhi-Samasata*)	(*j*) 423·72	
	Hardwar-Dehra	(*l*) 32·05	
	Tapti Valley	(*e*) 155·77	874·84
(v)	Khámgaon	(*f*) 7·55	
	Amráoti	(*f*) 5·44	
	Bina-Goona-Bárán	(*e*) 145·21	
	Bhopal-Ujjain	(*c*) 113·27	
	Bhopal-Itarsi (*Native state section*)	(*c*) 44·28	
	The Nizam's Guaranteed State	(*m*) 330·13	
	Nágdá-Ujjain	(*e*) 34·32	
	The Gaekwar's Petlád	(*e*) 13·35	
	Kolar Gold-fields	(*f*) 10·00	703·55
(vi)	Rájpura Bhátinda	(*j*) 107·05	
	Jammu and Kashmir (*Native state section*)	(*j*) 15·92	
	Ludhiana-Dhuri-Jakhal	(*j*) 79·61	202·58
(vii)	Bengal and North-Western—		
	Tirhoot section	512·05	
	Company's section (*n*)	743·00	
	Lucknow-Bareilly section (Rohilkhánd and Kumaon)	231·17	
	Rajputana-Malwa	(*e & o*) 1,646·49	
	Palanpur-Deesa	(*e*) 17·28	
	Southern Mahratta	1,042·04	
	Guntakal-Mysore frontier	(*p*) 119·50	
	Mysore section (Southern Mahratta)	296·00	
	South Indian	*1,033·63	
	Mayavaram-Mutupet	(*q*) 54·08	
	Assam-Bengal	577·45	
	Burma	1,124·29	
	Shadipalli-Balotra (British section)—		
	Shadipalli to Jodhpur frontier	(*r*) 69·05	7,466·03
(viii)	Eastern Bengal—		
	Northern and Behar sections (*including the Kaunia-Dharlla 2' 6" gauge, branch and British section, Cooch Behar-Santrabari extension 2' 6" gauge*)	502·20	
	Dacca section	85·92	
	Cawnpore-Burhwal (*Metre-gauge link*)	(*r*) 79·60	667·72
(ix)	Deoghur	4·79	
	Brahmaputra-Sultanpur	(*t*) 59·50	
	Mymensingh-Jamálpur-Jagannathganj	(*t*) 53·37	
	Rohilkund and Kumaon (*Company's section*)	108·96	
	Bengal Dooars	53·92	
	Dibru-Sadiya	77·50	
	Lido and Tikak-Margherita Colliery	(*u*) 7·50	
	Ahmedabad-Parantij	(*e*) 54·59	
	Segowlie-Raxaul	(*v*) 18·09	
	Nilgiri	(*h*) 16·90	455·12
(x)	The Gaekwar's Mehsana	(*e*) 92·63	
	Hyderabad-Godavari Valley	(*g*) 385·16	
	Kolhápur	(*p*) 29·07	
	Yesvantpur-Mysore frontier	(*p*) 51·35	
	Mysore-Nanjangúd	(*p*) 15·80	
	Birur-Shimoga	(*p*) 38·50	612·51
(xi)	Jodhpur-Bikaner	622·50	
	Udaipur-Chitor	67·30	
	Bhávnagar-Gondal-Junágad-Porbandar	(*w*) 333·84	
	Jetalsar-Rájkot	(*x*) 46·23	
	Jámnagar	(*x & y*) 54·28	
	Dhrángadrá	(*z*) 20·83	1,144·98
(xii)	West of India Portuguese	51·00	
	Pondicherry	(*q*) 7·80	
	Káraikkal-Peralam	(*q*) 14·45	73·25
(xiii)	Bengal-Nagpur—		
	Raipur-Dhamtari branch (2' 6")		55·73
(xiv)	Jorhát (2' 0")	*30·00	
	Cherra-Companyganj (2' 6")	(*z*) 8·00	
	North Western—		
	Nowshera to Dargai (2' 6")	41·90	79·90
(xv)	Darjeeling-Himalayan (2' 0")	51·00	
	Barsi Light (2' 6")	21·59	
	Howrah-Amta (2' 0")	28·69	
	Howrah-Sheakhalla (2' 0")	19·75	
	Ránaghat-Krishnagar (2' 6")	20·25	
	Tárakeshwar-Magra (2' 6")	31·12	
	Tezpur-Bálipárá (2' 6")	20·00	192·40
(xvi)	The Gaekwar's Dabhoi (2' 6")	(*e*) 78·80	
	Rajpipla (2' 6")	(*e*) 37·37	
	Gwalior Light (2' 0")	(*c*) 126·14	242·31
(xvii)	Cooch Behar (2' 6")		(*t*) 33·73
(xviii)	Morvi (2' 6")		93·07

(*a*) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.
(*b*) The working of the Barang-Waltair Section of the East Coast State railway was transferred to the Bengal-Nagpur Railway Company from 1st January 1901.
(*c*) Being worked by the Great Indian Peninsula Railway Company from 1st January 1901.
(*d*) Purchased by the State from 1st July 1900 and worked by the Great Indian Peninsula Railway Company.
(*e*) Worked by the Bombay, Baroda and Central India Railway Company.
(*f*) Worked by the Great Indian Peninsula Railway Company.
(*g*) Worked by H. H. Nizam's Guaranteed State Railway Company.
(*h*) Worked by the Madras Railway Company.
(*i*) Including 6·12 miles of military line not used for public traffic, and also 28·08 miles of line between Ferozepore and Kot-Kapura transferred from Rajputana-Malwa railway.
(*j*) Worked by the North-Western State railway.
(*k*) Worked by the East Indian Railway Company.
(*l*) Worked by the Oudh and Rohilkhánd State Railway.
(*m*) Including 2·19 miles, Trimulgherry troop siding, constructed but not used for ordinary public traffic.
(*n*) Although for convenience classed amongst State railways, this line is the property of the Bengal and North-Western Railway Company.
(*o*) Including 26·51 miles of both standard and metre gauges between Kot-Kapura and Bhátinda, worked over by the North-Western State railway.
(*p*) Worked by the Southern Mahratta Railway Company.
(*q*) Worked by the South Indian Railway Company.
(*r*) Excluding 3·66 miles of the Lucknow-Bareilly railway between Daliganj and Aishbagh but including the length, Bara Banki to Burhwal, 16·70 miles, and the length over Cawnpore bridge, 0·59 mile, laid on a mixed gauge.
(*s*) Worked by the Jodhpur-Bikaner railway.
(*t*) Worked by the Eastern Bengal State railway.
(*u*) Worked by the Assam Railways and Trading Company.
(*v*) Worked by the Bengal and North-Western Railway Company.
(*w*) Including 4·50 miles of Bhavnagar Dock estates and Junagad quarry lines.
(*x*) Worked by the Bhávnagar-Gondal-Junágad-Porbándar railway.
(*y*) Including 3·99 miles of Bedi Bandar Dock estate siding.
(*z*) Closed for traffic from 25th March 1900.

* Correction of mileage.

† Made up as follows :—

Open at the commencement of 1900-1901	23 763 78
Add—Opened during 1900-1901	1,386·82
Increase due to correction of mileage	5·10
	25,155·70

		Miles.	Miles.	Miles.
(i)	East Indian—			
	Shikohabad to Farukhabad	(a)65·82		
	Bárun to Daltonganj	78·32	151·13	
	Sitarampore to Domohani	6·99		
	Bengal Central—			
	Dum-Dum Cantonment to Pattipooker		2·68	
	Bengal-Nágpur—			
	Cossye to Midnapur	2·25		
	Midnapur to Bujudih	(a)114·39	116·64	
	Agra-Delhi chord		(a)121·16	391·61
(ii)	Madras—			
	Calicut to Azhikal			59·75
(iii)	Southern Punjab (*Delhi-Samáta*)—			
	Delhi Brewery to Delhi			0·79
(iv)	Petlad-Cambay			20·75
(v)	Bengal and North-Western—			
	Tirhoot section—			
	Sakri to Jainagar	(a)30·47		
	Company's section—			
	Ganges-Gogra Doab lines—		63·47	
	Azamgarh to Shahganj	(a)33·00		
	Lucknow-Bareilly section (Rohilkhánd and Kumaon)—Dudwa to Mohan river		5·96	
	South Indian—			
	Madura to Toni Torai	(c)91·33		
	Tinnevelly-Quilon (Travancore) branch (British section)	46·47	137·80	
	Mayavaram-Mutupet—			
	Mutupet to Arantangi		45·38	
	Assam-Bengal—			
	Damchara to Junction with Gauhati branch.	95·83	138·31	
	Nazira to Makum	62·48		
	Burma—			
	Nawnghkio to the right bank of the Salween river	157·72		
	Bassein *vid* Henzada to Letpadan	119·01	276·73	687·65
(vi)	Eastern Bengal—			
	Moghalhat to Dhubri			(b)38·83
(vii)	Bengal Dooars—			
	Mal to Hantupara			44·00
(viii)	Shoranur-Cochin		65·00	
	Vijapur-Kalol		29·60	
	Tinnevelly-Quilon (Travancore) branch (native state section)		56·86	151·46
(ix)	Jodhpur-Bikaner—			
	Bikaner section—			
	Suratgarh to Bhátinda		88·00	
	Jaipur—			
	Sánganer to Siwai-Mádhopur		72·85	160·85
(x)	Bengal-Nágpur—			
	Jubbulpore-Gondia and branches			252·67
(xi)	North Western—			
	Khusálgarh-Kohat-Thal (2′ 6″)			88·12
(xii)	Bársi Light (2′ 6″)—			
	Bársi Road to Pandharpur	(a)38·16		
	Kalka-Simla	58·00		91·16
(xiii)	Rewah—			
	Rewah to Sutna			(a)31·81

5. And the mileage under construction or sanctioned for construction on the 31st March 1901 will be 2,019·45 miles, made up as follows :—

		Miles.	Miles.
	Standard gauge—		
(i)	State lines worked by companies	391·61	
(ii)	Guaranteed companies	59·75	
(iii)	Assisted companies	0·79	
(iv)	Lines owned by native states and worked by companies	20·75	
			472·90
	Metre gauge—		
(v)	State lines worked by companies	687·65	
(vi)	State lines worked by the State	38·83	
(vii)	Assisted companies	44·00	
(viii)	Lines owned by native states and worked by companies	151·46	
(ix)	Lines owned and worked by native states	160·85	
			1,082·79
	Special gauges—		
(x)	State lines worked by companies	252·67	
(xi)	State lines worked by the State	88·12	
(xii)	Assisted companies	91·16	
(xiii)	Lines owned by native states and worked by companies	31·81	
			463·76
	TOTAL		2,019·45

Making a grand total of railways completed and in hand at the commencement of 1901-1902 of miles . 27,175·15*

And showing, after allowing for corrections of mileage, and advance on the previous year of miles . . 393·34

(*a*) Commencement of work not yet authorized.
(*b*) Excluding 12·23 miles of the Kaunia-Moghalhat section, 2′ 6″ gauge, to be converted to the metre gauge.
(*c*) Correction of mileage.

* Made up as follows :

	Miles.
Completed and in hand at the beginning of 1900-1901	26,781·81
Sanctioned during 1900-1901	392·13
	27,173·94
Add—	
Increase due to correction of mileage	1·21
	27,175·15

6. It is expected that the following lengths of unfinished line will be opened for public traffic in 1901-1902:

	Miles.	Miles.
Standard gauge—		
(i) State lines worked by companies	87·99	
(ii) Guaranteed companies	43·00	
(iii) Assisted companies	0·79	
(iv) Lines owned by native states and worked by companies	20·75	
		152·53
Metre gauge—		
(v) State lines worked by companies	165·00	
(vi) State lines worked by the State	38·83	
(vii) Lines owned and worked by native states	160·85	
		364·68
Special gauges—		
(viii) State lines worked by the State		88·12
TOTAL		605·33

		Miles.	Miles.	Miles.
(i)	East Indian—			
	Bárun to Daltonganj	78·32	85·31	87·99
	Sitarampore to Domohani	6·99		
	Bengal Central—			
	Dum-Dum Cantonment to Patti-pooker		2·68	
(ii)	Madras—			
	Calicut to Tellicherry			43·00
(iii)	Southern Punjab (*Delhi Samáiata*)—			
	Delhi Brewery to Delhi			0·79
(iv)	Petlad-Cambay			20·75
(v)	South Indian—			
	Madura to Toni Torai		91·33	165·00
	Burma—			
	Nawnghklo to Thibaw	51·00	73·67	
	Letpadan to Tharrawa	22·67		
(vi)	Eastern Bengal—			
	Moghalhat to Dhubri			38·83
(vii)	Jodhpur-Bikaner—			
	Bikaner section—			
	Suratgarh to Bhátinda		88·00	160·85
	Jaipur—			
	Sánganer to Siwai-Mádhopur		72·85	
(viii)	North-Western—			
	Khusálgarh-Khohat-Thal (2′ 6″)			88·12
(ix)	East Indian—			
	Shikohabad to Farukhabad		(*a*)65·82	303·62
	Bengal-Nágpur—			
	Cossye to Midnapore	2·25	116·64	
	Midnapore to Bujudih	(*a*)114·39		
	Agra-Delhi chord		(*a*)121·16	
(x)	Madras—			
	Tellicherry to Azhikal			16·75

Leaving the undermentioned lines for completion in 1902-1903 or later:

	Miles.	Miles.
Standard gauge—		
(ix) State lines worked by companies	303·62	
(x) Guaranteed companies	16·75	
		320·37
Metre gauge—		
(xi) State lines worked by companies	516·69	
(xii) Assisted companies	44·00	
(xiii) Lines owned by native states and worked by companies	151·46	
		712·15
Special gauges—		
(xiv) State lines worked by companies	252·67	
(xv) Assisted companies	91·16	
(xvi) Lines owned by native states and worked by companies	31·81	
		375·64
TOTAL		1,408·16

		Miles.	Miles.	Miles.
(xi)	Bengal and North-Western—			
	Tirhoot section—			
	Sakri to Jainagar	(*a*) 30·47	63·47	516·69
	Company's section—			
	Azamgarh to Shahganj	(*a*) 33·00		
	South Indian—			
	Tinnevelly-Quilon (Travancore) branch (British section)		46·47	
	Máyavaram-Mutupet—			
	Mutupet to Arantangi		45·38	
	Assam-Bengal—			
	Damchara to junction with Gauhati branch	95·83	158·31	
	Nazira to Makum	62·48		
	Burma—			
	Thibaw to the right bank of the Salween river	106·72	203·06	
	Bassein to Tharrawa	96·34		
(xii)	Bengal Dooars—			
	Mal to Hantupara			44·00
(xiii)	Shoranur-Cochin		65·00	151·46
	Vijapur-Kalol		29·60	
	Tinnevelly-Quilon (Travancore) branch (native state section)		56·86	
(xiv)	Bengal-Nágpur—			
	Jubbulpore-Gondia and branches (2′ 6″)			252·67
(xv)	Bársi Light—			
	Bársi Road to Pandharpur		(*a*)33·16	91·16
	Kalka-Simla—			
	Kalka to Simla		58·00	
(xvi)	Rewah—			
	Rewah to Sutna			(*a*)31·81

(*a*) Commencement of work not yet authorized.

COMMERCIAL AND

TABLE I.—MIS

		1892-93.	1893-94.	1894-95.
Recorded Revenue compared with recorded expenditure, excluding Capital Expenditure on Public Works not charged against Revenue—				
Surplus		...	...	₹ 69,31,100
Deficit		₹ 83,34,120	₹ 1,54,69,980	...
Capital Expenditure on Public Works not charged against Revenue*		₹ 3,98,62,900	₹ 3,62,12,520	₹ 4,44,62,310
Ditto charge involved in Redemption of Liabilities		...	...	...
Net Public Debt incurred		—376,405	4,043,311	4,822,662
Net Public Debt incurred, including Capital transactions with Guaranteed Railways and other Companies		315,875	3,331,845	4,172,650
Value of commodities exported, excluding Gold and Silver	₹	1,06,59,50,000	1,06,50,30,000	108,91,40,000
Ditto imported, ditto ditto	₹	66,26,50,000	77,02,10,000	73,52,90,000
Excess of Exports over Imports, excluding Gold and Siiver	₹	40,33,00,000	29,48,20,000	35,38,50,000
Net Imports of Gold	₹	—2,81,30,000	64,10,000	—4,97,40,000
Ditto of Silver	₹	12,86,40,000	13,72,00,000	6,32,90,000
TOTAL NET IMPORTS OF GOLD AND SILVER	₹	10,05,10,000	14,36,10,000	1,35,50,000
Excess of Exports over Imports including Gold and Silver	₹	30,27,90,000	15,12,10,000	34,03,00,000
Grand Total value of Imports and Exports of all kinds	₹	1,96,82,90,000	206,08,60,000	2,00,25,00,000
Secretary of State's Bills sold (Rupees)	₹	26,47,84,151	15,72,36,031	30,96,98,798
Sterling Equivalent received	£	16,532,215	9,530,235	16,905,102
Silver coined at the Indian Mints	₹	12,61,15,280	4,90,24,990	9,45,940
Maximum price in pence of an oz troy. standard Silver in London		41 1/3 (June)	38 3/4 (June)	30 1/2 (Aug.)
Minimum ditto ditto		37 5/8 (Mar.)	27 (Mar.)	27 3/16 (Dec. & Jan.)
Average Exchange upon Secretary of State's Bills sold per rupee		1s. 2·985d.	1s. 2·547d.	1s. 1·1005d.
Fixed rate of Exchange for the Adjustment of Transactions between the Indian and Imperial Treasuries		1s. 4 1/4d.	1s. 2 3/4d.	1s. 3 1/4d. 1st quarter. For the remaining quarters, 1s. 1 1/4d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta		6 (Jan.)	10 (Feb.)	9 (Apl.)
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta		3 (May to Dec.)	4 (June 29 to Nov. 15 & Nov 30 to Jan. 10)	3 (Sept. 6th to Jan. 16th.)
Maximum rate of discount at the Bank of England		3 (Apl., Oct., Nov., Dec. & Jan.)	5 (Aug. & Sept.)	2
Minimum ditto ditto		2 (May to Oct.)	2 (Feb. & Mar.)	2
Maximum Government balances at the three Presidency Banks	₹	4,12,36,000 (May)	3,68,54,000 (June)	4,29,20,000 (Jan.)
Minimum ditto ditto	₹	2,75,19,000 (Nov.)	3,01,64,000 (Nov.)	3,16,57,000 (Nov.)
Maximum price in Calcutta of Government 4 per cent Rupee Securities		109—2 (May)	108—12 (June)	105—2 (June)
Minimum ditto ditto		103—7 (Sept.)	99—4 (Feb.)	102—3 (May)
Maximum price in Calcutta of Government 3 1/2 per cent Rupee Securities (Guaranteed)		...	...	105—7 (Mar.)
Minimum ditto ditto		...	...	102—9 (Jan.)
Maximum price in Calcutta of 3 per cent. Rupee Securities		...	...	...
Minimum ditto ditto		...	...	...
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts	₹	27,25,66,000 (Apl.)	25,97,83,000 (July)	23,63,46,000 (Apl.)
Minimum ditto ditto	₹	25,92,71,000 (Mar.)	24,12,75,000 (Mar.)	13,73,29,000 (Dec.)
Maximum price in London of 4 per cent (Rupee) Securities in Gold		70 5/8 (June)	71 (June)	59 7/8 (Aug.)
Minimum ditto ditto		62 9/16 (Aug.)	56 7/8 (Feb.)	53 3/16 (May)
Maximum price in London of 3 1/2 per cent (Rupee) Securities in Gold		...	...	58 1/8 (Mar.)
Minimum ditto ditto		...	...	53 5/16 (Jan.)
Maximum price in London of India 3 1/2 per cent Stock		110 (Mar.)	110 1/8 (Apl.)	116 (Feb.)
Minimum ditto ditto		105 (Aug.)	106 3/4 (Sept.)	108 1/4 (June)
Maximum price in London of India 3 per cent Stock		100 1/8 (Mar)	100 1/8 (Apl.)	105 (Jan.)
Minimum ditto ditto		95 (Aug.)	97 (Sept.)	98 3/4 (June)
Maximum price in London of India 2 1/2 per cent Stock		...	...	...
Minimum ditto ditto		...	...	...
Maximum Government Paper Currency outstanding	₹	29,06,50,000 (Aug.)	30,51,59,000 (Jan.)	32,35,54,000 (Nov.)
Minimum ditto ditto	₹	23,95,81,000 (Apl.)	24,21,60,000 (Apl.)	29,50,00,000 (Jan.)
Number of Post Office Savings Banks		6,408	6,358	6,384
Number of accounts in Post Office Savings Banks		520,967	574,050	611,947
Amount deposited in Savings Banks	₹	7,81,87,727	8,26,57,319	8,40,17,923
Average of each deposit	₹	150·08	143·98	137·29
Net addition to deposits	₹	75,94,568	44,69,592	13,60,603

*Excludes Capital charge involved in redemption of

† In calculating this rate, a re-remittance to India

DIX IV.

FINANCIAL STATISTICS.

CELLANEOUS.

1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	1900-1901, Revised Estimate.	1901-1902, Budget.
₹ 1,53,39,980	...	...	£ 2,640,873	£ 2,774,623	£ 1,640,400	£ 690,900
...	₹ 1,70,50,220	₹ 5,35,92,110	...	...	...	...
₹ 4,08,71,940	₹ 4,98,41,220	₹ 4,32,85,410	£ 3,279,316	£ 3,035,672	£ 1,850,000	£ 2,686,100
...	...	...	...	...	£ 5,922,400	...
—586,412	5,407,235	6,077,779	£ 2,553,052	£ —121,298	£ 10,825,700	£ 2,240,000
—772,349	6,102,527	4,670,942	£ 1,169,161	£ —1,845,250	£ 9,727,000	£ 1,193,900
1,14,33,50,000	1,03,98,40,000	97,63,30,000	1,12,80,00,000	1,09,08,30,000		
72,93,70,000	76,11,70,000	73,64,70,000	72,10,20,000	75,30,40,000		
41,39,80,000	27,86,70,000	23,98,60,000	40,69,80,000	33,77,90,000		
2,52,60,000	2,29,10,000	4,90,90,000	6,50,30,000	9,44,00,000		
6,58,20,000	5,85,60,000	8,47,30,000	3,98,10,000	3,57,70,000		
9,10,80,000	8,14,70,000	13,38,20,000	10,48,40,000	13,01,70,000		
32,29,00,000	19,72,00,000	10,60,40,000	30,21,40,000	20,76,10,000		
2,04,89,90,000	1,98,12,30,000	1,98,95,90,000	2,10,20,80,000	2,13,31,80,000		
31,08,54,373	25,72,70,106	14,81,28,010	28,07,63,671	28,48,00,943	20,27,02,000	24,75,00,000
17,664,492	15,526,547	9,506,077	18,692,377	19,067,022	13,500,000	16,500,000
29,27,130	56,86,650	98,56,910	69,83,650	2,22,59,751		
31⅝ (Feb.)	31⅝ (June)	28½ (Apl.)	28 6/16 (Sept.)	29 (Apl.)	30 9/16 (Oct.)	
29⅞ (Apl.)	28 3/16 (Mar.)	23⅝ (Aug.)	25 1/16 (Apl.)	26⅝ (Oct.)	27 5/16 (Apl.)	
1s. 1·6381d.	1s. 2·4505d.	† 1s. 3·3539d.	1s. 3·9784d.	1s. 4·0676d.	1s. 3·984d.	1s 4d.
1s. 1¼d.	1s. 1½d.	1s. 2½d.	1s. 3¼d.	1s 4d.	1s. 4d.	1s. 4d.
7 (Feb.)	10 (Dec. 23 to Mar. 31).	12 (Feb. 24 to Mar. 31).	12 (Apl. 1—27)	8 (Oct. 8 to 25 and Jan. 11 to Mar. 14)	8 (Feb. and Mar.)	
3 (July 25 to Nov. 13.)	3 (July 2 to Sept. 2).	5 (July 15 to Sept. 8 & 25 Nov. to 15 Dec.)	4 (July 28 to Sept. 7).	4 (July 6 to Sept. 13).	3 (July 5 to Aug. 8).	
2	4	3 (Oct. to Mar.)	4 (Apl. and May Oct. to Jan.)	6 (Nov. 30 to Jan. 10).	5 (Jan. 3 to Feb. 6).	
2	2	2 (May to Sept.)	2½ (July to Sept.)	3 (Apl. to July 12).	3 (June and July)	
4,16,19,000 (May)	3,91,42,000 (Aug.)	3,27,96,000 (Mar.)	3,48,23,000 (Aug.)	4,16,65,000 (June)	3,31,13,000 (Jan.)	
3,00,15,000 (Nov.)	2,02,19,000 (Nov.)	2,02,53,000 (Sept.)	2,76,74,000 (Nov.)	2,58,60,000 (Nov.)	2,59,78,000 (Nov.)	
...	...	...	...	...	...	
...	...	...	...	...	...	
109—8 (Oct.)	110—15 (May)	104—1 (May 21)	101—11 (Feb. 22)	101—9 (May 3 and 4 and 25 to 27).	97—12 (Oct. 24)	
104—15 (Jan.)	98—11 (Feb.)	94—4 (Jan. 7)	92—10 (Apl. 22)	92—4 (Oct. 6)	93—11 (July 28)	
...	105 (Aug.)	97—4 (May & June).	95—8 (Mar. 15 to 17 and 22).	95—8 (May 15 to 29).	89—0 (April and May.)	
...	97 (Jan. to Mar.)	90—0 (Jan. to Mar.)	86—0 (Nov. 16 to Jan. 17).	88 (Mar. 13 and 14, 19, 20 and 22 to 31).	85—12 (Feb. and Mar.)	
25,35,43,000(Nov.)	26,64,72,000(Nov.)	23,47,80,000(Apl.)	21,93,37,000 (Oct.)	21,36,32,000 (Apl.)	20,83,61,000(Apl.)	
24,05,02,000 (Apl.)	23,92,57,000(Mar.)	21,39,05,000(Mar.)	21,33,46,000 (Aug.)	20,28,73,000(Aug.)	22,23,85,000(Sept.)	
...	...	...	...	...	...	
...	...	...	...	...	...	
65 15/16 (Feb.)	65 1/16 (Aug.)	64½ (Jan.)	67 7/16 (Mar.)	67⅝ (Apl.)	65 (Nov.)	
57½ (Apl. & May)	60 (Oct.)	60 7/16 (Dec.)	61½(Oct. and Nov.)	62 (Oct. and Dec.)	62 7/16 (July)	
120⅜ (Feb.)	122⅛ (Apl.)	119⅝ (Aug.)	117⅞ (Mar.)	116¼ (Apl.)	111½ (Apl.)	
114¼ (Apl.)	114⅓ (Sept.)	114¼ (Mar.)	111 (Oct.)	104 7/16 (Dec.)	105 (July)	
111⅛ (Feb.)	115¾ (May)	112⅛ (May)	109¼ (Feb.)	109¼ (Aug.)	103⅝ (Apl.)	
103¾ (May)	106 (Oct.)	105 (Mar.)	103½ (Oct.)	98¾ (Dec.)	95 (Aug.)	
...	103 (June)	99½ (Apl.)	94⅛ (Mar.)	99¼ (Apl.)	90⅜ (May)	
...	95¾ (Sept.)	92 (Mar.)	84⅝ (Oct.)	85 (Dec.)	85 (Aug.)	
32,42,86,000 (July)	29,58,99,000 (July)	24,76,40,000(Mar.)	28,20,33,000(Mar.)	29,27,12,000(July)	30,78,41,000 (July)	
25,94,07,000(Mar.)	23,57,85,000(Feb.)	22,86,16,000(May)	23,24,55,000 (May)	26,26,32,000(Dec.)	27,89,64,000(Apl.)	
6,343	6,420	6,290	6,310	6 479		
653,892	713,320	730,387	755,871	785,729		
9,04,23,072	9,63,92,411	9,28,72,978	9,42,80,041	9,64,64,466		
138·28	135·13	127·15	124·73	122·77		
64,05,149	59,69,339	—35,19,433	14,07,061	21,84,425		

liabilities.

of ₹1,00,00,000 by means of Bank drafts is taken into account.

APPENDIX IV—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table II.—Statement showing the true financial results to the Revenues of India of the guarantee of interest upon the Capital of Guaranteed Railway Companies.

(Omitting 000 in rupee figures except in accounts.)

	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	Revised Estimate 1900-1901.	Budget Estimate, 1901-1902.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at end of official year .	2,587	2,588	2,588	2,588	2,612	1,305	1,348
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Gross traffic receipts . . .	6,25,51,302	5,68,51,797	5,41,45,964	6,38.10,069	6,26, 01,464	3,67,29	2,85,50
Working expenses	2,97,98,925	3,05,10,161	3,21,32,048	3,29,83,339	3,39,93,236	1,86,93	1,37,75
Percentage of working expenses on receipts	47·64	53·67	59·34	51·69	54·30	50·89	48·25
Net traffic receipts	3,27,52,377	2,63,41,636	2,20,13,916	3,08,26,730	2,86,08,228	1,80,36	1,47,75
Net gain by the remittance to England of Capital receipts and disbursements in India at the contract rates of exchange instead of at the average yearly rates obtained for the Secretary of State's bills . .	...	...	...	...	...	...	...
Total Revenue .	3,27,52,377	2,63,41,636	2,20,13,916	3,08,26,730	2,86,08,228	1,80,36	1,47,75
Guaranteed Interest paid in England £	2,161,563	2,160,967	2,154,784	2,162,525	2,172,336	1,589,500	1,015,100
Ditto converted at the average exchange of the year . . .	3,80,38,533	3,58,90,067	3,36,81,849	3,24,37,876	3,24,47,825	2,38,66	1,52,27
Guaranteed interest paid in India *plus* interest on overdrawn Capital .	28,224	82,246	88,990	82,089	1,28,387	1,22	21
Surplus paid to Railway Companies .	50,15,073	44,73,021	11,03,022	36,18,447	42,03,949	30,22	19,00
Land and Supervision . . .	2,88,082	2,80,824	1,59,111	3,63,890	9,47,051	6	54
Net loss on receipts and disbursements of Capital in India calculated in the same way as the gain . . .	8,72,650	8,31,480	11,04,620	18,16,734	21,01,940	1,20	64
Total Expenditure .	4,42,42,562	4,15,57,638	3,61,37,592	3,83,19,036	3,98,29,152	2,71,36	1,72,66
Net Expenditure from the Public Treasury	1,14,90,185	1,52,16,002	1,41,23,676	74,92,306	1,12,20,924	91,00	24,91

APPENDIX IV—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Actual Capital expenditure on State Railways in 1899-1900, and estimated expenditure on such works in 1900-1901 and 1901-1902, and to end of 1901-1902.

Railways.	To end of 1898-99.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	To end of 1901-1902.	Sanctioned outlay.	Balance remaining unspent.
Open Lines.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
East Indian	19,72,73,528	1,98,82,502	1,69,70,000	1,87,50,000	25,28,76,030	25,28,76,030	...
Rajputana-Malwa System	15,04,43,675	11,50,566	27,44,000	21,24,000	15,64,62,241	15,64,62,241	...
Palanpur-Deesa	2,33,264	...	...	4,000	2,37,264	2,37,264	...
Bhopal	23,85,765	49,882	50,000	2,50,000	27,35,647	27,35,647	...
Wardha Coal	49,96,325	...	...	5,000	50,01,325	50,01,325	...
Warora Colliery	17,85,123	*—57,939*	—52,000	—10,000	16,65,184	16,65,184	...
Umaria Colliery	11,21,127	*—9,38,457*	...	...	1,82,670	1,82,670	...
Burma	7,69,12,324	...	...	...	7,69,12,324	7,69,12,324	...
Jorhat	9,18,132	3,775	4,000	6,000	9,31,907	9,31,907	...
Cherra-Companyganj	7,69,531	—287	—1,000	...	7,68,244	7,68,244	...
Eastern Bengal	9,92,41,395	32,11,945	26,56,000	42,85,000	10,93,94,340	10,93,94,340	...
Tirhoot	2,72,72,384	8,41,476	20,00,000	5,00,000	3,06,13,860	3,06,13,860	...
Oudh and Rohilkhand	12,75,80,665	15,23,774	9,76,000	15,30,000	13,16,10,439	13,16,10,439	...
Lucknow-Bareilly	51,21,140	...	...	...	51,21,140	51,21,140	...
North Western	42,48,88,632	35,08,520	51,78,000	62,83,000	43,98,58,152	43,98,58,152	...
Guntakal-Mysore frontier	58,98,840	—231	6,000	...	59,04,609	59,04,609	...
South Indian	7,13,10,496	5,34,698	3,75,000	12,00,000	7,34,20,194	7,34,20,194	...
Dhond and Manmad	1,14,36,914	1,04,430	33,000	2,00,000	1,17,74,344	1,17,74,344	...
Mayavaram-Mutupet	24,95,056	27,001	2,70,000	6,42,000	34,34,057	34,34,057	...
Hyderabad-Shadipalli	18,38,426	4,856	24,000	1,53,000	20,20,282	20,20,282	...
Petroleum Operations	1,19,187	...	...	...	1,19,187	1,19,187	...
Frontier Railway Reserve Material	43,57,492	—9,884	—2,000	...	43,45,608	43,45,608	...
Peshawar Railway Reserve Material	3,61,478	...	—2,31,000	...	1,30,478	1,30,478	...
Great Indian Peninsula	...	...	6,32,45,000	10,58,000	6,43,03,000	6,43,03,000	...
East Coast(*a*)	8,25,99,432	8,60,239	7,40,000	3,81,000	8,45,80,671	8,45,80,671	...
Total	1,30,13,60,331	3,06,96,866	9,49,85,000	3,73,61,000	1,46,44,03,197	1,46,44,03,197	...
Lines under construction.							
Cooch Behar-Santrabari	3,85,427	2,96,575	4,000	...	6,86,002	10,32,000	3,45,998
Assam-Bengal (Construction)	3,99,27,858	99,17,357	7,22,000	82,90,000	5,88,57,215	6,66,79,000	78,21,785
Ditto (Chittagong Jetties)	4,63,766	2,01,069	—15,000	45,000	6,94,835	6,41,000	—53,835
Ditto (Land)	35,32,767	36,082	75,000	10,000	36,53,849	50,50,000	13,96,151
Indus Bridge	27,15,777	1,33,401	—25,000	11,000	28,35,178	31,01,000	2,65,822
Nowshera-Dargai	18,004	7,45,974	7,69,000	16,000	15,48,978	15,68,000	19,022
Madura-Pamban	92,793	1,90,750	15,72,000	35,00,000	53,55,543	68,91,000	15,35,457
Shadipalli-Jodhpur Frontier	9,97,316	9,42,349	3,98,000	5,000	23,42,665	27,04,000	3,48,335
Hyderabad-Rahuki Section	...	...	...	13,000	13,000		
Hajipur-Begum Serai-Katihar extension	83,32,984	24,36,442	30,88,000	20,46,000	1,59,03,426	1,28,57,000	—30,46,426
Godavari Bridge	32,05,294	20,49,480	4,00,000	...	56,54,774	59,70,000	3,15,226
Kaunia-Dhubri Extension and Cossipur Branch and doubling the line	18,182	3,63,154	17,05,000	42,00,000	62,86,336	1,09,01,000	46,14,664
Teesta Bridge	5,06,219	8,91,531	4,50,000	22,000	18,69,750	19,58,000	88,250
Jullunder-Hoshiarpur	14,531	...	...	...	14,531	15,000	469
Ludhiana-Ferozepur	28,311	...	...	...	28,311	29,000	689
Agra-Delhi Chord	62,285	31,982	12,000	...	1,06,267	90,76,000	89,69,733
Ghaziabad-Moradabad	19,53,466	37,88,129	19,16,000	4,21,000	80,78,595	81,71,000	92,405
Tinnevelly-Quilon—British Section	5,194	3,22,554	7,70,000	20,00,000	30,97,748	25,00,000	—5,97,748
Ditto —Native State Section	...	...	15,95,000	49,44,000	65,39,000	76,00,000	10,61,000
Khushalgarh-Kohat	...	...	4,60,000	20,00,000	24,60,000	28,41,000	3,81,000
Total	6,22,60,174	2,23,46,829	1,38,96,000	2,75,23,000	12,60,26,003	14,95,84,000	2,35,57,997
Carried forward	1,36,36,20,505	5,30,43,695	10,88,81,000	6,48,84,000	1,59,04,29,200	1,61,39,87,197	2,35,75,997

(*a*) Includes Bezwada Extension and Bezwada-Madras Railways.

APPENDIX IV—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Actual Capital expenditure on State Railways in 1899-1900, and estimated expenditure on such works in 1900-1901 and 1901-1902, and to end of 1901-1902—*concluded.*

Railways.	To end of 1898-99.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	To end of 1901-1902.	Sanctioned outlay.	Balance remaining unspent.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Brought over .	1,36,36,20,505	5,30,43,695	10,88,81,000	6,48,84,000	1,59,04,29,200	1,61,39,87,197	2,35,57,997
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES, ETC.							
Ranaghat-Bhagwangola . .	3,02,450	...	...	...	3,02,450	3,02,450	...
Southern Mahratta (Depreciation on works, etc.) . . .	5,27,071	...	...	...	5,27,071	5,27,071	..
Bellary-Kistna . . .	1,65,78,416	...	...	...	1,65,78,416	1,65,78,416	
Bilaspur-Etawah . . .	75,132	...	...	...	75,132	75,132	..
Vizagapatam-Raipur . . .	2,45,035	...	...	...	2,45,035	2,45,035	...
Nagpur-Chhattisgarh Depreciation Account . . .	6,57,038	...	...	...	6,57,038	6,57,038	...
TOTAL .	1,83,85,142	...	...	...	1,83,85,142	1,83,85,142	...
Stores	8,53,210	—5,80,350	—2,48,000	1,80,000	2,04,860	2,04,860	...
	1,38,28,58,857	5,24,63,345	10,86,33,000	6,50,64,000	1,60,90,19,202	1,63,25,77,195	2,35,57,997
Deduct—Amount provided for Capital outlay on East Indian Railway by the issue of Sterling Debentures and Debenture Stock . . .	2,68,80,832	1,58,62,308	2,66,35,000	1,87,50,000	8,81,28,140	8,81,28,140	...
Deduct—Amount provided for Capital outlay on extensions of South Indian Railway by the issue of Sterling Debentures	...	...	37,59,000	1,08,75,000	1,46,34,000	1,46,34,000	...
Deduct—Amount provided for Capital outlay on the Great Indian Peninsula Railway by the issue of Sterling Debentures	...	...	...	45,00,000	45,00,000	45,00,000	...
	2,68,80,832	1,58,62,308	3,03,94,000	3,41,25,000	10,72,62,140	10,72,62,140	...
TOTAL .	1,35,59,78,025	3,66,01,037	7,82,39,000	3,09,39,000	1,50,17,57,062	1,52,53,15,059	2,35,57,997
Distributed as under—							
CAPITAL EXPENDITURE ON PUBLIC WORKS (not charged to Revenue)—							
State Railways—Construction	87,07,43,419	3,65,65,692	1,87,42,000	3,02,91,000	95,63,42,111		
Redemption of Liabilities .	33,55,34,510	...	5,92,24,000	...	39,47,58,510		
FAMINE RELIEF AND INSURANCE—							
Protective Railways . .	7,24,12,846	...	...	...	7,24,12,846		
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance)	6,51,12,820	35,345	2,73,000	6,48,000	6,60,69,165		
OTHER EXPENDITURE charged against Revenue . . .	1,21,74,430	...	...	...	1,21,74,430		
TOTAL AS ABOVE .	1,35,59,78,025	3,66,01,037	7,82,39,000	3,09,39,000	1,50,17,57,062	1,52,53,15,059	2,35,57,997

APPENDIX IV—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table IV.—Capital Expenditure on Irrigation—Major Works, in 1899-1900, and estimated expenditure on such works in 1900-1901 and 1901-1902, and to the end of 1901-1902.

IRRIGATION WORKS.	Actual outlay to end of 1898-99.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	Total Actual and estimated outlay to end of 1901-1902.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Burma.							
Mandalay Canal	15,18,958	11,23,703	9,00,000	7,00,000	42,42,661	30,60,341	...
Shwebo Canal	...	...	1,44,000	8,00,000	9,44,000	46,28,060	36,84,060
Bengal.							
Orissa Canals	2,57,88,378	38,888	47,000	62,000	2,59,36,266	...	...
Midnapur Canal	82,80,766	8,000	...	...	82,88,766	...	...
Hijili Tidal Canal	25,51,729	...	...	...	25,51,729	...	...
Sone Canals	2,58,43,002	—8,274	11,000	31,000	2,58,76,728	...	...
North-Western Provinces and Oudh.							
Ganges Canal	2,82,21,371	79,712	1,07,000	1,21,000	2,85,29,083	...	...
Lower Ganges Canal	3,29,92,808	6,58,982	77,000	89,000	3,38,17,790	...	...
Ditto Fatehpur Branch	27,37,110	2,38,606	2,10,000	1,03,000	32,94,716	34,20,000	1,25,284
Agra Canal	88,67,973	13,488	1,000	43,000	89,25,461	...	...
Eastern Jumna Canal	36,35,718	35,351	57,000	84,000	38,12,069	...	...
Punjab.							
Western Jumna Canal (including Sirsa Branch)	1,58,52,655	4,30,294	71,000	67,000	1,64,20,949	...	...
Bari Doab Canal	1,75,04,111	1,10,84	2,50,000	5,57,000	1,84,21,952	...	...
Sirhind Canal (State outlay)	2,30,70,402	93,511	1,17,000	1,48,000	2,34,28,913	...	...
Chenab Canal	2,36,64,143	9,04,043	7,50,000	7,35,000	2,60,53,186	...	...
Jhelum Canal	6,01,957	28,15,883	33,97,000	24,98,000	93,12,840	1,20,24,068	27,11,228
Madras.							
Godavari Delta System	1,11,60,367	64,717	90,000	1,23,000	1,14,38,084	...	...
Kistna Delta System	1,25,08,360	1,82,559	2,14,000	2,60,000	1,31,64,919	...	...
Pennér river Canals System	48,20,433	74,479	1,88,000	1,74,000	52,56,912	...	...
Periyar Project	84,32,942	75,314	61,000	69,000	86,38,256	...	...
Bombay.							
Desert Canal	12,50,742	1,85,418	3,33,000	3,97,000	21,66,160	...	...
Begari ,,	16,57,544	...	...	...	16,57,544	...	...
Eastern Nara Works	60,66,192	6,572	37,000	1,29,000	62,38,764	...	...
Jamrao Canal	52,33,101	12,66,116	9,25,000	5,61,000	79,85,217	77,26,671	...
Mutha Canals	64,00,734	25,650	3,000	38,000	64,67,384	...	...
Other projects	3,25,79,371	6,36,462	10,86,000	23,54,000	3,66,55,833	...	...
Deduct—Outlay incurred from Ordinary Revenues	31,12,40,867	90,60,315	90,82,000	1,01,43,000	33,95,26,182	...	...
TOTAL	6,05,67,850	90,915	74,000	1,43,000	6,08,75,765	...	...
FAMINE RELIEF AND INSURANCE.	25,06,73,017	89,69,400	90,08,000	1,00,00,000	27,86,50,417	...	...
PROTECTIVE IRRIGATION WORKS.							
Bengal.							
Trebeni Canal	...	...	...	3,82,000	3,82,000	37,04,802	33,22,802
North-Western Provinces and Oudh.							
Betwa Canal	40,82,669	71,000	1,26,000	55,000	43,34,669	...	...
Punjab.							
Swat River Canal	38,85,046	97,680	8,000	...	39,90,726	...	...
Madras.							
Rushikulya Project	43,08,571	42,448	33,000	16,000	44,00,019	45,53,000	1,52,981
Bombay.							
Nira Canal	53,55,495	90	6,000	13,000	53,74,585	...	...
Other projects	43,21,104	1,47,728	1,26,000	6,71,000	52,65,832	...	
Deduct—Outlay incurred from Ordinary Revenues	2,19,52,885	3,58,946	2,99,000	11,37,000	2,37,47,831	...	...
TOTAL	28,54,330	...	...	...	28,54,330	...	...
GRAND TOTAL	1,90,98,555	3,58,946	2,99,000	11,37,000	2,08,93,501	..	...
	26,97,71,572	93,28,346	93,07,000	1,11,37,000	29,95,43,918	...	...

APPENDIX IV—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross traffic receipts, working expenses, and net traffic receipts of Guaranteed and State Railways for five years ending 1899-1900, with Revised Estimates for 1900-1901 and Budget Estimates for 1901-1902.

	Accounts.					Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
GUARANTEED RAILWAYS.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	2,587	2,587	2,588	2,588	2,588	2,612	1,305
Gross Traffic Receipts.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Madras	1,11,78,411	1,09,98,075	1,13,97,301	1,02,35,380	1,09,06,956	1,12,00,000	1,12,00,000
Ditto Extensions .	...	...	...	...	...	...	3,50,000
Bombay, Baroda and Central India	1,78,59,159	1,52,15,406	1,40,17,891	1,67,45,041	1,84,32,686	1,66,00,000	1,70,00,000
Great Indian Peninsula . .	3,35,13,732	3,06,38,316	2,87,30,772	3,68,29,648	3,32,61,822	89,29,000	...
TOTAL .	6,25,51,302	5,68,51,797	5,41,45,964	6,38,10,069	6,26,01,464	3,67,29,000	2,85,50,000
Working Expenses.							
Madras	53,05,197	55,07,398	55,05,832	51,88,748	57,09,501	59,00,000	56,00,000
Ditto Extensions .	...	...	...	...	...	...	1,75,000
Bombay, Baroda and Central India	65,36,250	71,62,458	78,89,334	72,51,431	90,16,496	87,50,000	80,00,000
Great Indian Peninsula . .	1,79,57,478	1,78,40,305	1,87,36,882	2,05,43,160	1,92,67,239	40,43,000	...
TOTAL .	2,97,98,925	3,05,10,161	3,21,32,048	3,29,83,339	3,39,93,236	1,86,93,000	1,37,75,000
Net Traffic Receipts.							
Madras	58,73,214	54,90,677	58,91,469	50,46,632	51,97,455	53,00,000	56,00,000
Ditto Extensions .	...	...	...	...	...	...	1,75,000
Bombay, Baroda and Central India	1,13,22,909	80,52,948	61,28,557	94,93,610	94,16,190	78,50,000	90,00,000
Great Indian Peninsula . .	1,55,56,254	1,27,98,011	99,93,890	1,62,86,488	1,39,94,583	48,86,000	...
TOTAL .	3,27,52 377	2,63,41,636	2,20,13,916	3,08,26,730	2,86,08,228	1,80,36,000	1,47,75,000

APPENDIX IV—*continued.*

	Accounts.					Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
STATE RAILWAYS.							
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
(*a*) Open mileage at beginning of year	14,146	14,721	15,378	15,582	16,643	17,136	19,305
Gross Traffic Receipts.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
East Indian { England	4,047	3,820	3,595	3,455	3,450	3,000	3,000
East Indian { India	5,49,33,893	5,45,05,345	5,88,41,206	6,01,07,531	6,58,04,353	6,75,00,000	6,78,00,000
Rajputana-Malwa System	2,35,08,246	2,01,09,829	1,97,44,695	2,28,60,759	2,77,81,248	2,75,00,000	2,35,00,000
Bhopal	1,42,658	1,63,689	1,52,216	1,93,364	2,09,610	2,42,000	2,40,000
Palanpur-Deesa	37,543	51,862	39,696	40,271	49,701	40,000	43,000
Warora Colliery	5,45,969	5,20,646	5,52,256	6,09,393	5,77,182	6,20,000	6,10,000
Wardha Coal	1,93,552	2,06,078	1,98,857	2,09,600	2,07,216	1,75,000	...
Bengal-Nagpur	65,79,242	61,28,992	61,53,113	73,81,307	1,07,42,719	1,20,00,000	1,43,00,000
Umaria Colliery	3,96,195	3,91,333	3,85,062	4,78,862	14,995	...	...
Burma	65,53,010	73,92,814	86,92,755	86,77,541	94,69,988	1,12,00,000	1,09,00,000
Mu Valley	4,08,534	6,49,809					
Assam-Bengal	4,25,363	6,64,449	10,65,504	14,22,065	16,04,649	18,00,000	20,00,000
Jorhat	80,758	91,805	1,07,237	94,036	91,299	85,000	90,000
Cherra-Companyganj	25,647	26,975	5,707	6,505	6,355	5,000	...
Eastern Bengal	1,43,15,686	1,50,05,866	1,53,02,138	1,41,48,932	1,61,22,698	1,71,00,000	1,70,00,000
Bengal and North-Western and Tirhoot	56,72,009	56,50,067	62,50,386	66,33,807	81,68,864	80,00,000	84,00,000
Bengal Central	9,36,030	9,35,145	11,83,699	10,38,158	11,49,611	13,30,000	13,00,000
Brahmaputra-Sultanpur Branch	...	...	...	...	...	...	1,28,000
Oudh and Rohilkhand	97,45,180	81,86,207	88,21,064	1,00,88,265	1,13,25,817	1,16,00,000	1,22,00,000
Indian Midland	45,44,755	48,57,459	56,86,339	57,13,632	73,33,950	88,50,000	77,50,000
Lucknow-Bareilly	8,13,577	7,93,351	8,99,020	10,43,931	13,09,526	12,50,000	12,00,000
Hardwar-Dehra	...	...	...	...	...	50,000	2,80,000
North-Western	3,48,56,911	2,88,79,068	3,48,28,212	3,64,17,015	3,53,04,846	3,24,00,000	3,60,00,000
South Indian	90,34,880	89,92,806	89,44,017	84,35,906	86,58,220	88,00,000	88,00,000
Mysore	16,07,690	15,84,068	18,99,315	12,10,229	11,24,012	14,00,000	13,50,000
Bezwáda Extension	...	...	...	...	...	...	3,00,000
East Coast including Bezwáda-Madras	23,11,514	27,21,149	31,26,053	31,77,776	52,81,401	56,00,000	36,00,000
Guntákal-Mysore Frontier	4,46,825	4,86,633	6,36,828	3,87,828	4,05,156	4,35,000	4,00,000
Travancore Branch	...	...	...	...	...	...	15,000
Mayavaram-Mutupet	2,46,536	2,57,203	2,58,372	2,45,846	2,38,518	2,40,000	2,30,000
Dhond and Manmad* (net)	4,08,233	3,67,395	2,81,272	2,89,635	2,99,554	2,12,000	...
Southern Mahratta	66,37,013	65,88,447	61,74,980	49,94,337	62,93,041	63,50,000	63,00,000
Hyderabad-Shadipalli	1,75,488	1,83,728	2,11,653	2,29,706	2,20,367	1,90,000	1,80,000
Shadipalli-Jodhpur Frontier	...	...	...	...	...	41,000	2,15,000
Great Indian Peninsula	...	...	...	...	...	2,80,00,000	3,60,00,000
TOTAL	18,55,86,984	17,63,96,038	19,04,45,247	19,61,39,692	21,97,98,346	25,30,18,000	26,11,34,000

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India receive only a percentage of the gross receipts.

(*a*) Includes the length of the Bengal and North-Western Railway.

APPENDIX IV—*continued.*

Working Expenses.	Accounts. 1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
East Indian	1,88,45,469	1,84,90,208	1,95,32,035	2,33,39,483	2,50,54,050	2,44,50,000	2,45,25,000
Rajputana-Malwa System	1,16,15,027	1,02,69,023	99,30,441	1,21,28,709	1,29,30,695	1,40,50,000	1,17,50,000
Bhopal	96,544	1,00,943	91,080	1,13,929	1,25,531	1,30,000	1,35,000
Palanpur-Deesa	26,857	35,880	27,424	26,514	27,831	33,000	33,000
Warora Colliery	4,02,121	3,47,718	3,95,929	4,26,619	4,05,760	4,15,000	4,15,000
Wardha Coal	1,17,189	1,22,219	1,40,326	1,31,773	1,24,716	95,000	...
Bengal-Nagpur	32,95,299	35,25,211	31,70,834	36,16,820	45,80,706	52,00,000	68,47,000
Umaria Colliery	3,92,930	3,96,921	3,77,229	4,51,067	16,848	...	...
Burma	34,73,821	38,00,524	51,97,806	52,71,162	55,53,838	64,00,000	64,00,000
Mu Valley	6,25,444	8,17,674					
Assam-Bengal	3,26,855	6,75,233	8,97,608	13,79,359	12,34,774	14,00,000	15,00,000
Jorhat	74,351	72,623	81,701	88,183	1,03,821	96,000	82,000
Cherra-Companyganj	23,117	25,913	68,628	1,07,271	43,911	21,000	...
Eastern Bengal	56,09,676	60,40,686	66,64,217	66,44,427	72,72,708	81,00,000	80,00,000
Bengal and North-Western and Tirhoot	43,79,030	43,72,762	44,33,591	48,23,561	63,93,740	73,80,000	69,00,000
Bengal Central	6,11,523	6,92,277	8,13,198	7,71,673	8,07,735	8,73,000	8,50,000
Brahmaputra-Sultanpur Branch	...	...	...	...	...	...	65,000
Oudh and Rohilkhand	50,08,568	45,00,835	46,15,177	47,92,194	50,44,137	58,00,000	61,00,000
Indian Midland	28,48,510	28,99,699	31,25,639	32,45,596	38,01,188	41,50,000	36,25,000
Lucknow-Bareilly	5,36,385	5,24,593	5,34,976	6,00,961	7,73,507	7,00,000	7,00,000
Hardwar-Dehra	...	...	...	...	...	25,000	1,65,000
North Western	1,87,68,633	1,71,05,883	1,83,01,773	1,91,54,545	1,90,26,943	1,91,00,000	2,10,00,000
South Indian	54,23,075	51,68,948	50,78,583	49,58,361	47,25,019	49,00,000	52,00,000
Mysore	10,94,332	10,91,865	13,32,970	9,68,892	8,34,759	10,70,000	10,00,000
Bezwáda Extension	...	...	...	...	...	...	1,13,000
East Coast including Bezwáda-Madras	18,39,198	20,83,457	21,53,985	22,71,399	31,99,538	31,50,000	18,00,000
Guntakal-Mysore Frontier	2,53,585	2,78,467	3,71,670	2,69,537	2,62,609	3,00,000	2,80,000
Travancore Branch	...	...	...	...	...	...	10,000
Mayavaram-Mutupet	1,52,822	1,51,909	1,49,832	1,69,999	1,39,379	1,40,000	1,53,000
Southern Mahratta	44,41,090	44,78,578	43,78,972	39,46,803	45,93,822	48,00,000	48,00,000
Hyderabad-Shadipalli	1,26,906	1,25,484	1,46,397	1,54,057	1,39,499	1,20,000	1,24,000
Shadipalli-Jodhpur Frontier	...	...	...	...	...	21,000	1,08,000
Great Indian Peninsula	...	...	...	...	...	1,30,00,000	1,71,50,000
TOTAL	9,04,08,357	8,81,95,533	9,20,12,021	9,98,52,914	10,72,17,062	12,59,19,000	12,98,30,000

APPENDIX IV—*continued.*

Net Traffic Receipts.	Accounts. 1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
East Indian	3,60,92,471	3,60,18,957	3,93,12,766	3,67,71,503	4,07,53,753	4,30,53,000	4,32,78,000
Rajputana-Malwa System	1,18,93,219	98,40,806	98,14,254	1,07,32,050	1,48,50,555	1,34,50,000	1,17,50,000
Bhopal	46,114	62,746	61,136	79,435	84,079	1,12,000	1,05,000
Palanpur-Deesa	10,686	15,982	12,272	13,757	21,870	7,000	10,000
Warora Colliery	1,43,848	1,72,928	1,56,327	1,82,774	1,71,422	2,05,000	1,95,000
Wardha Coal	76,363	83,859	58,531	77,827	82,500	80,000	...
Bengal-Nagpur	32,83,943	26,03,781	29,82,279	37,64,487	61,62,013	68,00,000	74,53,000
Umaria Colliery	3,265	—5,588	7,833	27,795	—1,853	...	...
Burma	30,79,189	35,92,290	34,94,949	34,06,379	39,16,150	48,00,000	45,00,000
Mu Valley	—2,16,910	—1,67,865					
Assam-Bengal	98,508	—10,784	1,67,896	42,706	3,69,875	4,00,000	5,00,000
Jorhat	6,407	19,182	25,536	5,853	—12,522	—11,000	8,000
Cherra-Companyganj	2,530	1,062	—62,921	—1,00,766	—37,556	—16,000	...
Eastern Bengal	87,06,010	89,65,180	86,37,921	75,04,505	88,49,990	90,00,000	90,00,000
Bengal and North-Western and Tirhoot	12,92,979	12,77,305	18,16,795	18,10,246	17,75,124	6,20,000	15,00,000
Bengal Central	3,24,507	2,42,868	3,70,501	2,66,485	3,41,876	4,57,000	4,50,000
Brahmaputra-Sultanpur Branch	...	...	...	...	...	...	63,000
Oudh and Rohilkhand	47,36,612	36,85,372	42,05,887	52,96,071	62,81,680	58,00,000	61,00,000
Indian Midland	16,96,245	19,57,760	25,60,700	24,68,036	35,32,762	47,00,000	41,25,000
Lucknow-Bareilly	2,77,192	2,68,758	3,64,039	4,42,970	5,36,019	5,50,000	5,00,000
Hardwar-Dehra	...	...	...	...	...	25,000	1,15,000
North-Western	1,60,88,278	1,17,73,185	1,65,26,444	1,72,62,470	1,62,77,903	1,33,00,000	1,50,00,000
South Indian	36,11,805	38,23,858	38,65,434	34,77,545	39,33,201	39,00,000	36,00,000
Mysore	5,13,358	4,92,203	5,66,345	2,41,337	2,89,253	3,30,000	3,50,000
Bezwáda Extension	...	...	...	...	...	...	1,87,000
East Coast including Bezwáda Madras	4,72,316	6,37,692	9,72,068	9,06,477	20,81,863	24,50,000	18,00,000
Guntakal-Mysore Frontier	1,93,240	2,08,166	2,65,158	1,18,271	1,42,547	1,35,000	1,20,000
Travancore Branch	...	...	...	...	...	...	5,000
Mayavaram-Mutupet	93,714	1,05,294	1,08,540	75,847	99,139	1,00,000	77,000
Dhond and Manmad	4,08,233	3,67,395	2,81,272	2,89,635	2,99,554	2,12,000	...
Southern Mahratta	21,95,923	21,09,869	17,96,008	10,47,534	16,99,219	15,50,000	15,00,000
Hyderabad-Shadipalli	48,582	58,244	65,256	75,649	80,868	70,000	56,000
Shadipalli-Jodhpur Frontier	...	...	...	...	...	20,000	1,07,000
Great Indian Peninsula	...	...	...	...	...	1,50,00,000	1,88,50,000
TOTAL	9,51,78,627	8,82,00,505	9,84,33,226	9,62,86,778	11,25,81,284	12,70,99,000	13,13,04,000

APPENDIX IV—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1899-1900, with Revised Estimates for 1900-01, and Budget Estimates for 1901-02.

	Actuals.					Revised Estimate, 1900-01.	Budget Estimate, 1901-02.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
DIRECT RECEIPTS—	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Orissa canals	4,17,222	4,74,217	5,54,757	4,69,554	4,42,497	3,75,000	3,75,000
Midnapur canal	2,63,994	2,79,757	2,75,636	2,33,772	2,38,652	2,08,000	2,08,000
Hijili Tidal canal	61,976	90,946	92,210	75,286	53,234	57,000	62,000
Sone canals	7,72,123	10,64,693	12,66,974	10,75,265	10,95,351	10,78,000	10,73,000
Ganges canal	15,95,189	32,20,543	36,35,539	32,06,998	36,57,032	38,67,000	28,81,000
Lower Ganges canal	9,48,174	23,34,146	29,09,026	22,79,590	22,29,549	21,65,000	22,23,000
Ditto Fatehpur Branch	...	...	...	...	76,330	84,000	1,94,000
Agra canal	4,60,587	8,10,172	9,74,061	6,81,498	8,28,026	9,35,000	6,69,000
Eastern Jumna canal	6,75,461	11,13,772	14,15,472	12,48,831	12,41,746	12,30,000	11,32,000
Betwa canal	25,874	83,699	1,37,700	1,10,665	94,267	55,000	83,000
Western Jumna canal (including Sirsa Branch)	13,13,922	26,31,948	25,48,661	28,00,084	29,79,562	27,30,000	23,75,000
Chenab canal	10,46,273	16,77,407	20,48,891	24,06,523	30,02,897	43,95,000	49,00,000
Bari Doab canal	23,34,660	26,64,486	29,30,064	30,06,435	29,69,561	30,36,000	29,00,000
Sirhind canal	13,48,327	27,94,950	32,96,639	27,53,361	30,90,800	35,95,000	26,00,000
Swat River canal	2,44,028	2,66,205	3,65,500	4,13,960	4,18,038	4,80,000	4,50,000
Godavari Delta System	1,09,978	1,01,598	96,447	1,09,589	1,13,290	1,09,000	1,09,000
Kistna „ „	54,297	49,587	45,228	78,372	61,565	78,000	78,000
Pennér River canals „	1,260	1,026	1,687	2,302	1,695	2,000	2,000
Periyar Project	...	...	684	581	1,220	...	...
Rushikulya „	533	831	784	1,470	1,789	2,000	2,000
Desert canal	42,011	14,890	32,835	43,442	47,591	41,000	41,000
Begari „	37,712	30,445	37,651	49,964	55,277	47,000	47,000
Eastern Nara Works	25,103	25,733	26,537	26,363	22,808	27,000	23,000
Mutha canals	2,77,046	2,35,390	2,34,169	2,57,142	3,20,928	2,43,000	2,48,000
Nira canal	86,884	79,040	1,35,705	1,42,459	1,48,200	1,45,000	1,45,000
Jamrao canal	...	...	...	...	...	...	1,000
Other projects	6,51,450	6,34,131	7,14,583	6,55,795	4,85,433	7,74,000	6,22,000
TOTAL	1,27,94,084	2,06,79,612	2,37,77,440	2,21,29,301	2,36,77,938	2,57,58,000	2,34,43,000
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Ganges canal	7,15,593	7,15,593	7,15,593	7,15,593	7,80,511	7,80,000	7,80,000
Lower Ganges canal	2,09,586	2,09,586	2,09,586	2,09,586	2,09,586	2,10,000	2,10,000
Eastern Jumna „	2,49,803	2,49,803	2,49,803	2,49,803	2,50,989	2,51,000	2,51,000
Chenab canal	1,68,776	2,32,729	2,79,202	3,31,965	4,57,345	6,10,000	7,90,000
Bari Doab canal	1,76,859	1,97,025	2,13,629	2,21,189	2,27,286	2,20,000	2,20,000
Swat River „	...	58,462	42,418	40,823	41,257	60,000	50,000
Godavari Delta System	23,48,473	25,67,709	29,10,856	29,15,743	25,66,115	29,90,000	29,90,000
Kistna „ „	20,59,402	20,28,707	23,08,267	24,91,812	25,40,854	24,95,000	24,95,000
Pennér River canals „	3,41,518	3,33,067	3,32,676	3,51,193	2,61,246	3,54,000	3,54,000
Periyar Project	...	33,774	1,06,582	2,62,867	3,24,717	3,17,000	3,17,000
Rushikulya „	35,863	59,794	58,144	82,033	91,059	84,000	84,000
Desert canal	80,300	86,793	1,19,348	1,11,398	1,26,878	1,35,000	1,65,000
Begari „	2,35,861	2,86,415	3,62,798	3,54,168	3,90,454	4,35,000	4,49,000
Eastern Nara Works	3,50,433	4,42,233	5,34,332	5,07,038	6,55,531	6,42,000	6,59,000
Mutha canals	*—7,792*	*—5,505*	*—5,604*	*—6,470*	*—9,463*	...	...
Nira canal	*—4,269*	*—3,888*	*—6,695*	*—7,035*	*—7,330*	...	...
Jamrao canal	...	...	...	...	...	1,08,000	2,19,000
Other projects	12,56,234	12,25,785	12,16,446	12,55,880	11,45,511	12,68,000	13,00,000
TOTAL	82,16,640	87,18,082	96,47,381	1,00,87,586	1,00,52,606	1,09,59,000	1,13,33,000

APPENDIX IV—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS—*continued.*

Table VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1899-1900, with Revised Estimates for 1900-01, and Budget Estimates for 1901-02—*continued.*

	Actuals.					Revised Estimate, 1900-01.	Budget Estimate, 1901-02.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
TOTAL REVENUE—							
Orissa canals	4,17,222	4,74,217	5,54,757	4,69,554	4,42,497	3,75,000	3,75,000
Midnapur canal	2,63,994	2,79,757	2,75,636	2,33,772	2,38,652	2,08,000	2,08,000
Hijili Tidal canal	61,976	90,946	92,210	75,286	53,234	57,000	62,000
Sone canals	7,72,123	10,64,693	12,66,974	10,75,265	10,95,351	10,78,000	10,73,000
Ganges canal	23,10,782	39,36,136	43,51,132	39,22,591	44,37,543	46,47,000	36,61,000
Lower Ganges canal	11,57,760	25,43,732	31,18,612	24,89,176	24,39,135	23,75,000	24,32,000
Ditto Fatehpur Branch	...	...	...	...	76,330	84,000	1,94,000
Agra canal	4,60,587	8,10,172	9,74,061	6,81,498	8,28,626	9,35,000	6,69,000
Eastern Jumna canal	9,25,264	13,63,575	16,65,275	14,98,634	14,92,735	14,81,000	13,83,000
Betwa canal	25,874	83,699	1,37,700	1,10,665	94,267	55,000	83,000
Western Jumna canal (including Sirsa Branch)	13,13,922	26,31,948	25,48,661	28,00,084	29,79,562	27,30,000	23,75,000
Chenab canal	12,15,049	19,10,136	23,28,093	27,38,488	34,60,242	50,05,000	56,90,000
Bari Doab canal	25,11,519	28,61,511	31,43,693	32,27,624	31,96,847	32,56,000	31,20,000
Sirhind canal	13,48,327	27,94,950	32,96,639	27,53,361	30,90,800	35,95,000	26,00,000
Swat River canal	2,44,028	3,24,667	4,07,918	4,54,783	4,59,295	5,40,000	5,00,000
Godavari Delta System	24,58,451	26,69,307	30,07,303	30,25,332	26,79,405	30,99,000	30,99,000
Kistna „ „	21,13,699	20,78,294	23,53,495	25,70,184	26,02,419	25,73,000	25,73,000
Pennér River canals „	3,42,778	3,34,093	3,34,363	3,53,495	2,62,941	3,56,000	3,56,000
Periyar Project	...	33,774	1,07,266	2,63,418	3,25,937	3,17,000	3,17,000
Rushikulya „	36,396	60,625	58,928	83,503	92,848	86,000	86,000
Desert canal	1,22,311	1,01,683	1,52,183	1,54,840	1,74,469	1,76,000	2,06,000
Begari „	2,73,573	3,16,860	4,00,449	4,04,132	4,45,731	4,82,000	4,96,000
Eastern Nara Works	3,75,536	4,67,966	5,60,869	5,33,401	6,78,339	6,69,000	6,82,000
Mutha canals	2,69,254	2,29,885	2,28,565	2,50,672	3,11,525	2,43,000	2,48,000
Nira canal	82,615	75,152	1,29,010	1,35,424	1,40,870	1,45,000	1,45,000
Jamrao canal	...	...	...	...	...	1,08,000	2,20,000
Other projects	19,07,684	18,59,916	19,31,029	19,11,675	16,30,944	20,42,000	19,22,000
TOTAL	2,10,10,724	2,93,97,694	3,34,24,821	3,22,16,887	3,37,30,544	3,67,17,000	3,47,76,000
WORKING EXPENSES—							
Orissa canals	4,42,049	4,65,745	5,07,948	4,65,598	4,45,106	4,37,000	4,27,000
Midnapur canal	2,66,168	2,23,927	2,30,683	2,69,703	2,71,378	1,83,000	2,20,000
Hijili Tidal canal	58,880	38,490	38,448	48,535	43,304	43,000	50,000
Sone canals	5,31,308	5,53,719	5,74,779	5,59,480	5,47,919	5,96,000	6,00,000
Ganges canal	8,58,672	10,13,681	10,80,004	10,62,597	10,74,296	10,72,000	11,56,000
Lower Ganges canal	7,13,588	8,31,690	8,70,983	9,96,696	8,90,350	10,03,000	10,79,000
Ditto Fatehpur Branch	...	...	...	1,935	49,750	90,000	1,26,000
Agra canal	1,81,848	2,20,401	2,25,801	2,34,351	2,83,363	2,71,000	2,86,000
Eastern Jumna canal	2,61,050	3,19,412	3,29,875	3,84,099	4,09,040	4,08,000	4,01,000
Betwa canal	87,462	90,286	1,07,431	1,01,686	95,360	86,000	88,000
Western Jumna canal (including Sirsa Branch)	7,66,254	7,97,475	8,18,818	8,63,021	9,07,513	9,23,000	8,34,000
Chenab canal	4,13,990	4,99,177	6,21,106	7,08,766	10,53,385	12,07,000	12,25,000
Bari Doab canal	6,43,401	6,80,398	6,26,969	7,86,572	7,97,190	8,00,000	6,57,000
Sirhind canal	6,09,505	6,73,589	6,30,761	6,73,078	8,56,298	8,15,000	7,72,000
Swat River canal	91,714	60,409	1,02,990	99,596	58,345	89,000	95,000
Godavari Delta System	4,95,577	5,20,955	4,89,878	5,80,559	5,89,209	5,83,000	5,83,000
Kistna „ „	5,80,672	7,05,100	5,85,491	5,25,151	5,23,143	5,50,000	5,50,000
Pennér River canals „	65,983	55,269	41,471	36,139	36,687	38,000	38,000
Periyar Project	...	42,108	82,262	1,16,138	1,05,351	94,000	94,000
Rushikulya „	29,155	39,751	32,859	38,734	49,459	62,000	62,000
Desert canal	51,671	64,095	70,023	59,152	49,102	61,000	52,000
Begari „	52,161	57,561	96,400	72,152	96,043	84,000	78,000
Eastern Nara Works	1,09,983	79,077	1,05,929	1,11,007	1,15,630	1,10,000	92,000
Mutha canals	65,948	84,433	69,662	74,377	73,609	69,000	75,000
Nira canal	43,331	54,890	51,201	52,785	52,281	48,000	51,000
Jamrao canal	...	...	...	..	...	64,000	1,56,000
Other projects	4,52,642	5,39,161	5,29,418	4,82,021	4,98,172	6,35,000	5,98,000
TOTAL	78,73,012	87,11,799	89,21,190	94,03,928	99,71,283	1,04,27,000	1,04,45,000

APPENDIX IV—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS—*concluded.*

Table VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1899-1900, with Revised Estimates for 1900-01, and Budget Estimates for 1901-02—*concluded.*

	Actuals.					Revised Estimate, 1900-01.	Budget Estimate, 1901-02.
	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.		
NET REVENUE—	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Orissa canals	*−24,827*	8,472	46,809	3,956	*−2,609*	*−62,000*	*−52,000*
Midnapur canal	*−2,174*	55,830	44,953	*−35,931*	*−32,726*	25,000	*−12,000*
Hijili Tidal canal	3,096	52,456	53,762	26,751	9,930	14,000	12,000
Sone canals	2,40,815	5,10,974	6,92,195	5,15,785	5,47,432	4,82,000	4,73,000
Ganges canal	14,52,110	29,22,455	32,71,128	28,59,994	33,63,247	35,75,000	25,05,000
Lower Ganges canal	4,44,172	17,12,042	22,47,629	14,92,480	15,48,785	13,66,000	13,54,000
Ditto Fatehpur Branch	...	...	...	*−1,935*	26,580	*−6,000*	68,000
Agra canal	2,78,739	5,89,771	7,48,260	4,47,147	5,45,263	6,64,000	3,83,000
Eastern Jumna canal	6,64,214	10,44,163	13,35,400	11,14,535	10,83,695	10,73,000	9,82,000
Betwa canal	*−61,588*	*−6,587*	30,269	8,979	*−1,093*	*−31,000*	*−5,000*
Western Jumna canal (including Sirsa Branch)	5,47,668	18,34,473	17,29,843	19,37,063	20,72,049	18,07,000	15,41,000
Chenab canal	8,01,059	14,10,959	17,06,987	20,29,722	24,06,857	37,98,000	44,65,000
Bari Doab canal	18,68,118	21,81,113	25,16,724	24,41,052	23,99,657	24,56,000	24,63,000
Sirhind canal	7,38,822	21,21,361	26,65,878	20,80,283	22,34,502	27,80,000	18,28,000
Swat River canal	1,52,314	2,64,258	3,04,928	3,55,187	4,00,950	4,51,000	4,05,000
Godavari Delta System	19,62,874	21,48,352	25,17,425	24,44,773	20,90,196	25,16,000	25,16,000
Kistna „ „	15,33,027	13,73,194	17,68,004	20,45,033	20,79,276	20,23,000	20,23,000
Pennér River canals „	2,76,795	2,77,824	2,92,892	3,17,356	2,26,254	3,18,000	3,18,000
Periyar Project	...	*−8,334*	25,004	1,47,310	2,20,586	2,23,000	2,23,000
Rushikulya „	7,241	20,874	26,069	44,769	43,389	24,000	24,000
Desert canal	70,640	37,588	82,160	95,688	1,25,367	1,15,000	1,54,000
Begari „	2,21,412	2,59,299	3,04,049	3,31,980	3,49,688	3,98,000	4,18,000
Eastern Nara Works	2,65,553	3,88,889	4,54,940	4,22,394	5,62,709	5,59,000	5,90,000
Mutha canals	2,03,306	1,45,452	1,58,903	1,76,295	2,37,916	1,74,000	1,73,000
Nira canal	39,284	20,262	77,809	82,639	88,589	97,000	94,000
Jamrao canal	...	...	...	...	...	44,000	64,000
Other projects	14,55,042	13,20,755	14,01,611	14,29,654	11,32,771	14,07,000	13,24,000
TOTAL	1,31,37,712	2,06,85,895	2,45,03,631	2,28,12,959	2,37,59,260	2,62,90,000	2,43,31,000

TABLE VII.—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

Actuals, 1899-1900.

RAILWAYS.	Amount in Rupees.	Amount in sterling at contract rates.	Equivalent at Rs. 15=£1.	Exchange.
GUARANTEED RAILWAYS.	₹	£	₹	₹
RECEIPTS.				
Madras	31,89,793	292,397	43,85,965	—*11,96,172*
Bombay, Baroda and Central India	70,80,181	570,338	85,55,066	—*14,74,885*
Great Indian Peninsula	79,24,089	726,374	1,08,95,621	—*29,71,532*
Ditto Extensions	54,274	3,625	54,375	—*101*
TOTAL	1,82,48,337	1,592,734	2,38,91,027	—*56,42,690*
ADVANCES.				
Madras	26,57,924	243,643	36,54,645	—*9,96,721*
Madras Extensions	9,08,270	60,391	9,05,872	2,398
Bombay, Baroda and Central India	53,10,092	397,619	59,64,284	—*6,54,192*
Great Indian Peninsula	50,01,015	458,426	68,76,396	—*18,75,381*
Ditto Extensions	24,14,823	160,968	24,14,516	307
TOTAL	1,62,92,124	1,321,047	1,98,15,713	—*35,23,589*
NET RECEIPTS.				
Madras	5,31,869	48,754	7,31,320	—*1,99,451*
Madras Extensions	—*9,08,270*	—*60,391*	—*9,05,872*	—*2,398*
Bombay, Baroda and Central India	17,70,089	172,719	25,90,782	—*8,20,693*
Great Indian Peninsula	29,23,074	267,948	40,19,225	—*10,96,151*
Ditto Extensions	—*23,60,549*	—*157,343*	—*23,60,141*	—*408*
TOTAL	19,56,213	271,687	40,75,314	—*21,19,101*
SUBSIDIZED RAILWAYS.				
RECEIPTS.				
Gain on remittances to India. — Burma	...	22,119	3,31,782	—*3,31,782*
Bengal-Nagpur	...	3,763	56,435	—*56,435*
Ditto Extensions	...	2,053	30,797	—*30,797*
Bengal Central	...	— 765	—*11,471*	11,471
Indian Midland	...	—*21,279*	—*3,19,178*	3,19,178
Lucknow-Bareilly	...	3	40	—*40*
Southern Mahratta	...	—*6,124*	—*91,857*	91,857
	...	—*230*	—*3,452*	3,452
Capital received in India. — Mymensingh-Jamalpur-Jaggannathganj	5,15,000	34,333	5,15,000	...
Brahmaputra-Sultanpur	6,68,000	44,534	6,68,000	...
Hardwar-Dehra	6,50,000	43,333	6,50,000	...
Ahmedabad-Parantij	11,000	733	11,000	...
Tapti Valley	22,65,000	151,000	22,65,000	...
	41,09,000	273,933	41,09,000	...
TOTAL	41,09,000	273,703	41,05,548	3,452
WITHDRAWALS IN INDIA.				
Assam-Bengal	—*14,03,842*	—*93,473*	—*14,02,090*	—*1,752*
Burma	49,80,616	293,294	43 99,408	5,81,208
Bengal-Nagpur	—*2,95,111*	—*17,324*	—*2 59,866*	—*35,245*
Ditto Extensions	1,08,93,758	726,251	1,08,93,758	...
Bengal Central	—*1,54,747*	—*10,509*	—*1,57,629*	2,882
Indian Midland	—*1,77,645*	—*14,212*	—*2,13,174*	35,529
Ditto Saugor-Katni	5,24,821	34,968	5,24,821	...
Lucknow-Bareilly	—*64,813*	— *4,320*	— *64,813*	...
Mysore	1,76,822	13,211	1,98,162	—*21,340*
Southern Mahratta	—*84,386*	—*7,033*	—*1,05 483*	21,097
	1,43,95.473	920,873	1,38, 3,094	5,82,379
South Behar	9,82,172	65,478	9,82,172	...
Mymensingh-Jamalpur-Jaggannathganj	3,46,050	23,070	3,46,050	...
Brahmaputra-Sultanpur	6,87,176	45,812	6,87,176	...
Hardwar-Dehra	6,37,135	42,476	6,37,135	...
Ahmedabad-Parantij	—*4,256*	—*284*	—*4,256*	...
Tapti Valley	24,39,227	162,615	24,39,227	...
	50,87,504	339,167	50,87,504	...
TOTAL	1,94,82,977	1,260,040	1,89,00,598	5,82,379
Net Withdrawals	1,53,73,977	986,337	1,47,95,050	5,78,927
GUARANTEED AND SUBSIDIZED RAILWAYS. Net Withdrawals	1,34,17,764	714,650	1,07,19,736	26,98028

APPENDIX IV—*continued.*

TABLE VII.—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

Revised Estimate, 1900-1901.

RAILWAYS.	Amount in Rupees (Omitting 000).	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs. 15=£ 1. (Omitting 000.)	Exchange. (Omitting 000.)
	R	£	*R*	*R*
GUARANTEED RAILWAYS.				
RECEIPTS.				
Madras	32,00	293,3	43,99	—11,99
Bombay, Baroda and Central India	63,00	420,6	63,09	—9
Great Indian Peninsula	19,20	176,0	26,40	—7,20
Ditto Extensions	21,49	143,6	21,54	—5
TOTAL	1,35,69	1,033,5	1,55,02	—19,33
ADVANCES.				
Madras	29,50	270,4	40,56	—11,06
Madras Extensions	13,00	86,6	12,99	1
Bombay, Baroda and Central India	51,00	340,5	51,08	—8
Great Indian Peninsula	18,73	171,7	25,75	—7,02
Ditto Extensions	4,60	30,7	4,60	...
TOTAL	1,16,83	899,9	1,34,98	—18,15
NET RECEIPTS.				
Madras	2,50	22,9	3,43	—93
Madras Extensions	—13,00	—86,6	—12,99	—1
Bombay, Baroda and Central India	12,00	80,1	12,01	—1
Great Indian Peninsula	47	4·3	65	—18
Ditto Extensions	16,89	112,9	16,94	—5
TOTAL	18,86	133,6	20,04	—1,18
SUBSIDIZED RAILWAYS.				
RECEIPTS.				
Gain on remittances to India: Assam Bengal	...	—3	—4	4
Burma	...	9,8	1,47	—1,47
Bengal-Nagpur	...	4,8	72	—72
Ditto Extensions	...	5	7	—7
Indian Midland	...	—21,8	—3,27	3,27
Southern Mahratta	...	—13,3	—1,99	1,99
	...	—20,3	—3,04	3,04
Capital received in India: South Behar	52	3,5	52	...
Mymensingh-Jamalpur-Jaggannathganj	76	5,0	76	...
Brahmaputra-Sultanpur	2,70	18,0	2,70	...
Hardwar-Dehra	7	5	7	...
Tapti Valley	1,10	7,3	1,10	...
	5,15	34,3	5,15	...
TOTAL	5,15	14,0	2,11	3,04
WITHDRAWALS IN INDIA.				
Assam-Bengal	70,53	471,4	70,71	—18
Burma	48,16	296,7	44,51	3,65
Bengal-Nagpur	3,76	23,5	3,53	23
Ditto Extensions	51,25	341,7	51,25	...
Bengal Central	1,28	8,5	1,28	...
Indian Midland	—24	—1,9	—29	5
Ditto Saugor-Katni	1,08	7,2	1,08	...
Lucknow-Bareilly	15	1,0	15	...
Mysore	2,20	16,4	2,46	—26
Southern Mahratta	—4,18	—34,8	—5,22	1,04
	1,73,99	1,129,7	1,69,46	4,53
South Behar	55	3,7	55	...
Mymensingh-Jamalpur-Jaggannathganj	2,50	16,7	2,50	...
Brahmaputra-Sultanpur	3,80	25,3	3,80	...
Hardwar-Dehra	75	5,0	75	...
Tapti Valley	2,75	18,3	2,75	...
	10,35	69,0	10,35	...
TOTAL	1,84,34	1,198,7	1,79,81	4,53
Net Withdrawals	1,79,19	1,184,7	1,77,70	1,49
GUARANTEED AND SUBSIDIZED RAILWAYS.				
Net Withdrawals	1,60,33	1,051,1	1,57,66	2,67

APPENDIX IV—*concluded.*

TABLE VII.—CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

Budget Estimate, 1901-1902.

RAILWAYS.	Amount in Rupees (Omitting 000).	Amount in sterling at contract rates. (Omitting 00).	Equivalent at Rs.15=£1. Omitting 000.)	Exchange. (Omitting 000.)
	₹	£	₹	₹
GUARANTEED RAILWAYS.				
RECEIPTS.				
Madras	41,00	375,8	56,37	—15,37
Bombay, Baroda and Central India	63,50	423,3	63,50	...
TOTAL	1,04,50	799,1	1,19,87	—15,37
ADVANCES.				
Madras	39,27	360,0	54,00	—14,73
Madras Extensions	20,50	136,7	20,50	...
Bombay, Baroda and Central India	38,32	255,5	38,32	...
TOTAL	98,09	752,2	1,12,82	—14,73
NET RECEIPTS.				
Madras	1,73	15,8	2,37	—64
Madras Extensions	—20,50	—136,7	—20,50	...
Bombay, Baroda and Central India	25,18	167,8	25,18	...
TOTAL	6,41	46,9	7,05	—64
SUBSIDIZED RAILWAYS.				
RECEIPTS.				
Gain on remittances to India. — Indian Midland	...	—45,1	—6,76	6,76
Gain on remittances to India. — Southern Mahratta	...	—28,3	—4,25	4,25
	...	—73,4	—11,01	11,01
Capital received in India. — Mymensingh-Jamalpur-Jagganathganj	1,23	8,2	1,23	...
Capital received in India. — Brahmaputra-Sultanpur	2,70	18,0	2,70	...
Capital received in India. — Hardwar-Dehra	1,57	10,5	1,57	...
Capital received in India. — Ahmedabad-Parantij	16	1,0	16	...
Capital received in India. — Tapti Valley	2,35	15,7	2,35	...
	8,01	53,4	8,01	...
TOTAL	8,01	—20,0	—3 00	11,01
WITHDRAWALS IN INDIA.				
Assam-Bengal	—2,53	—16,9	—2,53	...
Burma	51,75	345,0	51,75	...
Bengal-Nagpur	83,04	553,6	83.04	...
Ditto Extensions	33,82	225,5	33,82	...
Bengal Central	23	1,5	23	...
Indian Midland	—1,93	—15,4	—2,31	38
Ditto Saugor-Katni	26	1,8	26	...
Lucknow-Bareilly	—1,55	—10,3	—1,55	...
Mysore	2,00	14,9	2,24	—24
Southern Mahratta	—12,97	—108,1	—16,22	3,25
	1,52,12	991,6	1,48,73	3,39
South Behar	—8	—5	—8	...
Mymensingh-Jamalpur-Jagganathganj	1,23	8,2	1,23	...
Brahmaputra-Sultanpur	2,70	18,0	2,70	...
Hardwar-Dehra	1,57	10,5	1,57	...
Ahmedabad-Parantij	32	2,1	32	...
Tapti Valley	2,45	16,3	2,45	...
	8,19	54,6	8,19	...
TOTAL	1,60,31	1,046,2	1,56,92	3.39
Net Withdrawals	1,52,30	1,066,2	1,59.92	—7,62
GUARANTEED AND SUBSIDIZED RAILWAYS.				
Net Withdrawals	1,45,89	1,019,2	1,52,87	—6,98

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA, ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 AND 1892 (24 & 25 VICT., CAP. 67, AND 55 & 56 VICT., CAP. 14).

The Council met at Government House, Calcutta, on Wednesday, the 27th March, 1901.

PRESENT:

His Excellency Baron Curzon, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.
His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.
The Hon'ble Major-General Sir E. H. H. Collen, G.C.I.E., C.B.
The Hon'ble Sir A. C. Trevor, K.C.S.I.
The Hon'ble Sir C. M. Rivaz, K.C.S.I.
The Hon'ble Mr. T. Raleigh.
The Hon'ble Sir E. FG. Law, K.C.M.G.
The Hon'ble M. R. Ry. Panappakkam Ananda Charlu Vidia Vinodha Avargal, Rai Bahadur, C.I.E.
The Hon'ble Kunwar Sir Harnam Singh, Ahluwalia, K.C.I.E., of Kapurthala.
The Hon'ble Mr. J. Buckingham, C.I.E.
The Hon'ble Mr. H. F. Evans, C.S.I.
The Hon'ble Rai Bahadur B. K. Bose, C.I.E.
The Hon'ble Sir Allan Arthur, Kt.
The Hon'ble Sir A. Wingate, K.C.I.E.
The Hon'ble Mr. F. A. Nicholson, C.I.E.
The Hon'ble Mr. D. M. Smeaton, C.S.I.
The Hon'ble Mr. C. W. Bolton, C.S.I.
The Hon'ble Rai Sri Ram Bahadur.
The Hon'ble Mr. R. P. Ashton.
The Hon'ble Mr. R. H. Henderson.

DISCUSSION OF THE FINANCIAL STATEMENT FOR 1901-1902.

The Hon'ble SIR EDWARD LAW moved that the Financial Statement for 1901-1902 be taken into consideration.

His Excellency THE PRESIDENT said:—"If any Hon'ble Member cares in the course of this debate to adopt the plan that was followed in some cases last year, of laying upon the table either his speech, or such portions of his speech as are of a detailed or technical character, I will not stand in the way of his doing so."

The Hon'ble Mr. ASHTON said:—"My Lord, that part of the Budget which relates to railways has such a direct bearing on the industry which I represent in this Council, that I venture to ask permission to make the following remarks.

"I see with very great satisfaction the steps that have been taken by Government to more clearly differentiate between expenditure incurred on behalf of those enterprises which are profitable both in respect to their indirect benefits to the country and in respect to their very satisfactory working balances and on expenditure on the general administration and defence of the country.

"The subject of the separation of railway accounts from the general accounts of the country has engaged much public attention of late years. At the time of the currency agitation it was pointed out how the aspect of that item which was called 'Exchange' in Government accounts, but which was called 'Loss by Exchange' in controversy, was made more serious by

balances that were transferred to it from actually profitable undertakings. Mr. Clinton Dawkins referred last year to the misapprehension which arose from this and kindred circumstances which he justly said confounded the public and misled even English financial experts. I think I detect in Mr. Dawkins' use of the word *even* an insinuation that experts other than English were misled to a still greater extent. I refer to this merely to show how the want of clearness in the Government accounts has led to misapprehension in the past. In later times, however, the subject has forced itself on public attention in connection with the influence that it has had in times of stress and famine in preventing the development and working of open main lines of railway which for want of funds have been starved and have therefore not been in a position to earn so much as they would have done had their demands been met as they deserved and required to be met. Within the last twelve months the British Chambers of Commerce, the Indian Chambers of Commerce and many other authorities have strongly urged the very separation of accounts towards which Government has now so wisely taken the first steps. But, my Lord, while greater authorities here and at home have been arguing the need of reform, the same need has been forced on the attention of the coal-trade by a most instructive object lesson. When these Chambers of Commerce were discussing the subject in England, the Acting Agent of the East Indian Railway was advising the Bengal Chamber of Commerce that the wagon supply could not be kept up to requirements, because, though Government sanctioned additions to the supply, they withheld the grant of money necessary to pay for them. To quote his own words :—

'The amount of money available for the purpose of the Company from time to time depends entirely upon the provision in the General Budget Estimates of the Government of India and the allotments made therefrom, and for the last two years, owing presumably to financial difficulties, the amounts so provided or apportioned by the Government of India for expenditure on the requirements of the East Indian Railway have fallen short of the requirements of the Company, both for the provision of admittedly necessary works and accommodation to deal effectively with the increasing traffic, and also for the engines and rolling stock to move it.'

'This led to correspondence between the Indian Mining Association, the Chamber and Government, eliciting from the last a letter dated 4th October explaining the difficulties to which the present system led. I quote the following extract :—

'Such difficulties as may have been experienced are due to the impossibility of always ensuring that the actual disbursements on account of sanctioned indents shall coincide with the year against the allotment for which they have been certified. It takes a considerable time to obtain the stores required, and it would be of no use to set aside funds in a year prior to which it may be anticipated that the outlay will be incurred. Even so, it not infrequently happens that, owing to various circumstances, the supply is not obtained as early as anticipated, and in such cases the liability for payment has to be thrown forward to another year. It also sometimes happens, on the other hand, that articles are obtained earlier than was expected, and in that case an additional provision to meet their cost is demanded Difficulties of this sort, however, are obviously beyond the control of the Government of India, who have discharged their responsibility in providing funds according to the forecast of the railway authorities. They are to a great extent also beyond the control of the railway authorities, and, so far as that is the case, must be accepted as among the inevitable drawbacks of the system under which the funds required for railway expenditure are at present provided.'

"Now, my Lord, I do not feel competent to say how far the new system of accounts will mend matters. But I do not like those words 'obviously beyond the control' of Government, who have 'discharged their responsibility' and 'inevitable drawback.' The Hon'ble Sir Arthur Trevor last year admitted that the making of one desirable line was postponed because difficulty arose in finding money for the line within the programme. Will the new system prevent a recurrence of such an incident? As at present happens and as I understand will still be the case, the schedule for each official year which begins with April is prepared in October previously, although, as pointed out by the Agent of the East Indian Railway, it is in the very nature of a railway business that requirements of a pressing nature often declare them-

selves after the Railway has submitted its schedule. Surely this is wrong. Is there not still fear that railways will be again starved of funds when the country's cash balances are being eaten up by famine or war expenditure, and can we be sure that we are free of a system which weakens the chief power which the country possesses both for fighting famine and for making good the losses which famine causes to our revenue? I do not ask these questions with the view to advocating the spending of money on new railways, some of them in districts that are already furnished with lines of communication. The Hon'ble Maharaja of Durbhanga, for instance, last year drew attention to the folly of devoting funds to the extension of the hill sections of the Assam Railway which are not wanted and can only be a loss to the country, while money was required for the most elementary necessities of railways connecting the coal-fields of Bengal with the great industrial centres. But, my Lord, I am particularly referring to those existing and profitable railways whose further development is so important and who can show without any elaborate demonstration or estimates that they return a good percentage on every rupee which Government can borrow for them. May we now feel certain that Government will in future years provide fully for expenditure on the construction of profitable main line branches, and for the provision of suitable and sufficient rolling stock for main and branch lines which are immediately remunerative, undeterred by the claims of lines for military purposes and famine-reliefs, or by the claims of new railways for opening up new districts? The first class of railway work is so distinct in character from the others that it seems absolutely wrong to make it subservient thereto or dependent on what can be spared from the general revenues of the country. It seems to me the Public Works Department will in spite of the reforms made still be bound by hard-and-fast lines, for though in the new railway programme precedence is arranged on most unimpeachable lines, there appears to me nothing to prevent such precedence being absolutely upset by a recurrence of difficulties such as have been lately experienced. I fear that of late railways for the purposes of administration have swallowed up an undue portion of the funds which the Finance Department has been able to allot to the Public Works Department for railway works, much I should imagine to the disappointment of the Public Works Department, who know the urgent requirements of the open main lines. Hence the development of the railway system throughout the country has been delayed, and the trade of the country and the tax-payer are suffering. It therefore seems to me desirable that the financing of open main lines should not only take precedence but be wholly independent of the expenditure on railways which are not immediately reproductive, and whose rate of progress might fairly be made dependent on the country's general financial position, and I trust that the Hon'ble Financial Member will not cease to move forward till this end is reached. Separate borrowing powers should be granted to the main lines, and the fear of adversely affecting Exchange should not shake the determination of the Government to give the Public Works Department a fair chance and a free hand to help on as quickly as possible these developments. The main lines should be empowered to take advantage of all favourable offers of material and money. At present the Public Works Department have to spend the money as they get it, and the faculty of operating in the most opportune time in the material and money markets is denied them. It must be remembered that as the railway system extends and opens up new districts the traffic which is encouraged must cause a great increase in the demand for rolling stock on open main lines. We know that the East Indian Railway has been starved. It is probable that lines which are not so much in evidence suffer equally. The grain trade and many other trades are suffering; but it is sufficient for my argument to confine myself to the condition of the trade with which I am directly acquainted. At the present time steam coal is crumbling into dust at the wharves of every colliery on the East Indian Railway system. In America in such a situation a gigantic Wagon Company would at once spring into being and supply wagons to the railways, and traffic would force itself to the sea-board by new lines if the old could not deal with it. But we do not pursue American methods in this country. In England, colliery proprietors would have a ready remedy against the

railway by application to the Standing Commissioners under the Act; but in this country the Governor General in Council has the power to refuse to even constitute such a tribunal. Moreover, in the case of a railway whose policy and finance are practically controlled by Government, it is a question whether even if Commissioners were appointed the complainants would not be met by the plea that the railways are prevented from doing their duty by Government itself; and though I am advised that this plea would not avail the railway in view of the imperative nature of its statutory obligations, it would undoubtedly complicate the only method of relief which the public possesses—a relief which ought in justice to be ready and easy to the public as a set off against the monopoly which the railways possess. There seems to me no reason even in times of stress to limit the Public Works Department in their expenditure on works which are immediately reproductive.

"Finally, my Lord, I beg your leave to ask the Hon'ble Member in charge of the Financial Department if his Department hesitates to accede to the demands of the Public Works Department on the ground that the market within which the Government of India can borrow is limited, and that circumstances might arise which would make it incumbent on Government to borrow largely in order to maintain the gold standard fixity of exchange, and that the Financial Department regard the salvation of the gold standard as much more important than the development and proper working of paying lines of railway. Certainly such would not be the right way to face the position, for the gold standard will never be effective unless the export trade is carefully nursed, and to ensure this the people must not suffer through the incapacity of railways. Look at it in what light we may, free but not extravagant expenditure should be allowed on main open lines, and this will not be possible unless the money is specially borrowed, apart altogether from the general finances."

The Hon'ble RAI SRI RAM BAHADUR said:—"My Lord, the Hon'ble the Finance Minister is to be congratulated on presenting to the Council a Budget showing the finances of the country to be in a prosperous condition; and if no untoward circumstance happens the coming financial year will close with a surplus of £690,000. His predecessor, at the time of presenting the last Budget, had estimated the receipts at £70,155,800 and the expenditure at £69,995,500 leaving a surplus of £160 300, only. But better receipts from certain items of revenue (notwithstanding a considerable decrease in Land-revenue proper, on account of the Famine in Western and Central India) and large savings in certain heads of expenditure, notably under the heads of Army Services and Public Works, have swelled the estimated surplus from £160,300 to £1,640,000, or ten times the original estimate. A study of the figures relating to income and expenditure of the year which is about to come to a close leads persons like myself, who are uninitiated in the mysteries and ignorant of the system of the Finance Department, to come to the following conclusion. What I find is that the financial year 1900-1901, that is to say, the present year, began with a large surplus amounting to £2,774,623. The increase in the several items of receipt over the estimate is £2,395,000, from which, if we deduct £382,900 deficiency in Land-revenue, the net increase comes to £2,012, 100. Among the items of expenditure, then, there have been considerable savings in Army Services and Public Works, amounting to £1,185,000 and £118,000— total £1,303,000. The two items of expenditure in which more than the budgeted amounts have been spent are Famine Relief which accounts for an increase of £876,000 and 'Railway Revenue Account' £323 000. The Government borrowed £3,000,000 in England and three crores of rupees in India. If from these two loans we deduct four crores lent to the Native States and which will be repaid, there remains an addition of three and half crores to the permanent debt on account of the expenditure on the Famine, which cost the Government £4,245,000 only. This state of things shows that, notwithstanding the large surplus of the preceding year, the heavy increase in the items of receipt, and the considerable savings in certain items of expenditure, the Government did not or could not see its way to make a smaller addition to the permanent debt of the country than it has actually done.

"Coming now to the Budget estimates for the financial year 1901-1902, the

receipts are estimated to fall short by about £1,014,600, compared with those of the current year, and the expenditure is estimated to exceed a little less than by 4½ million pounds, two most important items being a little above 2 millions in the Army Services and a little over ¾ of a million on the Public Works.

"A crore of rupees has been provided for the Famine relief of the affected districts in Western India. The Government has announced its intention to make an addition of £ 2,240,000 to the permanent debt, of which two crores of rupees are contemplated to be borrowed in India. The necessity for adopting this course has been indicated to be 'to tide over the critical period of the 'earlier part of the financial year' when the revenue-collections are said to be much smaller as compared with monthly expenditure and the balances gradually diminish until the month of November, when the revenue-receipts begin to pour in. My Lord, if that is the principal reason for the loan, one naturally expects that, the necessity for such loan being of a temporary nature, no 'addition to our permanent debt should be made' on that account.

"My Lord, the past history of the Indian finances shows that there are mainly three potent causes which exercise a disturbing influence on the financial equilibrium of the country; these are frontier expeditions and wars, fluctuations in exchange, and recurrence of famines. Your Excellency's wise and farsighted policy has happily allayed apprehensions as to the first. The measures adopted in connection with the Indian Currency will, it is hoped, give stability to exchange; and no danger can for the present be possibly apprehended. With regard to the third, however, we are unfortunately in no better position than we were about a quarter of a century ago Since then India has had to suffer from the ravages of no less than three great famines, each surpassing its predecessor in extent and intensity. The famine of 1877-78 caused the deaths of six millions of people according to official estimates. The one that occurred in 1896-97 was characterised by His Honour the present Lieutenant-Governor of Bengal as 'the greatest of the century'; while Your Excellency was pleased to remark with regard to the one which occurred only two years after 1897 as 'the severest that India has ever known'. Fortunately for the people of India, they had a Viceroy at the helm of affairs at this juncture who was as able as he was wise and sympathetic, and who with God's help succeeded in tiding over the difficulty in a manner which has elicited the admiration of the whole world. He fed six millions of people daily for months together at the cost of the State—a spectacle which was never witnessed within the memory of man and a feat which was never performed before. My Lord, the people of this country are under deep obligation to you for the measures adopted by Your Excellency's Government for saving lives from starvation, and they will ever remember it with heartfelt gratitude. Unfortunately, the days of India's misery are not yet over; for I find that, in the Budget for the coming year, the Hon'ble Finance Minister has provided for a sum of one crore of rupees, to meet the expenses of another Famine in the Bombay Presidency.

"The popular notion is that the annual drain in the shape of Home Charges to which India is subjected have great indirect effect on these frequent famines. But it is a large question and opinions are divided on the subject. I will not therefore enter into a discussion upon it. All I need remark is that it goes without saying that if the Indian Government can prevent the drain of India's wealth to foreign countries and retain the same here, then they will be in a better position to make the Indians prosperous than under the present circumstances; but whether or not it is possible to put a stop to these drains is more than I can say. It is, I believe, now admitted on all sides that India suffers more from famine of money than that of food. Food-grains are available in the country but the people have not the means to buy them. Any measure that may prevent India's wealth from being taken out of the country is thus most welcome.

"The official view is that it is the fitful rainfall or its failure that brings about famine. But other countries are also subject to freaks of the weather, and yet they are not overtaken by these calamities to the same extent as India. There is, however, no doubt that crops will fail if rains do not fall when they are wanted, or there is too much rain when sunshine is needed. Hence the duty of the Government is to provide for the storage of water; and I am deeply gratified to find that the Government have taken some practical steps in this direction. So

far as the opening of means of communication and providing highways in the different parts of the country for carrying food-grains in times of scarcity are concerned, the Government has done a good deal by constructing lines of railways.

"In my humble opinion, future famines may be prevented and their severity alleviated to a large extent by the adoption of the following measures:—

(1) distribution of takkavi or agricultural advances in time;
(2) establishment of technical institutes;
(3) establishment of agricultural schools;
(4) establishment of agricultural banks;
(5) light and permanent or long period settlements.

"(1) Takkavi advances are no doubt now made, but not in the way they should be done. The advances should be distributed as soon as the first symptoms of distress are visible and not when its pinch is actually felt.

"(2) One of the remedies pointed out by the first Famine Commission against the recurrence of famines is the spread of technical education and the establishment of industrial schools, so that facilities may be placed within the easy reach of the masses to learn handicrafts and to become good mechanics. Some such schools have, no doubt, been established here and there in India; but many more are required to attain the desired end. Besides, an institute for higher research like the one proposed by Mr. Tata of Bombay is absolutely necessary to enable the people to learn the higher branches of science and develop the resources of the country.

"(3) But India being pre-eminently an agricultural country, her wealth lies chiefly in the soil and the produce that can be raised from it. What is therefore urgently needed is to improve the present method and system of agriculture and teach the peasants how to make their fields yield more than they do now.

"The efforts of Government in this direction have not been of a far-reaching character. No effective steps have been taken to spread broadcast a knowledge of even the most elementary principles of agriculture among the masses, and the consequence is that the Indian cultivator uses the same implements of husbandry, and ploughs, sows and reaps in the same manner, as his ancestors did hundreds of years ago.

"A Department called the Department of Land Records and Agriculture has been established by Government in every Province. But the duties which that Department has to perform are multifarious. One of its functions, no doubt, is the supervision of the agricultural condition of the Province and the adoption of measures conducive to agricultural improvement. But from the results which have been produced it is clear that the discharge of this function has up to this time been considered of secondary importance only. The methods adopted by this Department towards the improvement of agriculture and diffusion of its first principles among the peasant classes, have not yet produced any fruitful results. The Department has got no machinery at its command through which it can diffuse instruction in the first principles of agriculture among the villagers, or give them advice on the seeds to be sown, crops to be produced, and manures having great fertilizing powers to be used. There is at present a paucity of men capable of carrying out such work. I venture to submit that, in order to improve agriculture in this country, the system of agricultural education like the one which prevails in the great countries of Europe and America, with necessary modifications, should be adopted, and primary schools to teach the first elements of practical agriculture to the peasant classes should be established in large numbers, as well as Agricultural Colleges to teach agriculture on a scientific basis and to turn out teachers for the primary schools should be opened in places where none exist now.

"That the people of this country enjoy the facilities for agricultural education to a very limited extent will be seen from a comparison of the number of institutions established in India with the number of such institutions to be found in some of the European countries and in the United States of America.

"In the year 1898-99 in Austria the number of primary institutions where chiefly practical agriculture is taught was 97, that of secondary institutions where students are prepared for agricultural service was 12, and that of higher

institutions in which the highest scientific knowledge of agriculture is imparted was 2.

"In the year 1898 in the German Empire higher education in agriculture was provided by agricultural institutes at eight Universities, by agricultural schools attached to three other Universities, and by three independent high schools, making a total of 14 institutions for higher instruction only. Besides the above there were 16 intermediate schools, 42 farm schools and 195 winter schools for imparting elementary and practical instruction in agriculture.

"Russia in 1898 had 3 higher, 8 intermediate and 109 lower schools.

"In the United States of America in 1899, there were 61 institutions in which agriculture was taught either exclusively or along with other subjects.

"India, my Lord, in this respect cuts a very poor figure indeed. We have only one Agricultural College at Saidapet in Madras. In Bombay, the Poona College of Science has an agricultural department attached to it. The Central Provinces have one school at Nagpur, and the North-Western Provinces one at Cawnpore. Recently one school has been established in Bengal and is located at Sibpur. My Lord, this completes our list, which all told comprises five institutions of all kinds for agricultural instruction in a vast continent like India, whose principal source of income is agriculture and where about 90 per cent. of the population are agriculturists.

"My Lord, there is another consideration also which attaches great importance to the subject of agricultural improvement in India. The improvement, if properly carried out, is sure to result in increasing the quantity and raising the quality of wheat and other commodities which can be exported to Great Britain, and thus place the first-named country in a position to look to her own dependency for the supply of her wants and not to foreign countries like Russia, America, etc At the Cawnpore Experimental Farm good cotton, far superior to the indigenous article, has been produced from seeds imported from America and other places. Samples of it were sent to the Bombay Millowners Association for examination, and a Sub-Committee of that Association pronounced a very high opinion in favour of some of them, and recommended their cultivation in larger quantities. They were of opinion that yarns spun from the fibres of some of those samples were quite suitable for producing textile fabrics of the finer sorts. Now, if proper steps be taken to induce the cultivators in the cotton districts to grow cotton of the quality recommended by the Bombay Millowners Association and proper help and advice be given to them, it is sure to be grown in time in very large quantities sufficient to be exported to foreign countries, and Lancashire need not in future be under any apprehension of her industries being threatened by American cotton corners.

"(4) In times of distress the agricultural classes have to borrow money at a very high rate of interest from the village-bankers and thus add to their poverty. The money-lenders cannot be blamed if they charge a high rate, for they risk much by their dealings with men who cannot give good security. If Agricultural Banks can be established in rural centres with the object of advancing loans to raiyats at a moderate rate of interest, that will be really a move in the right direction. But, as the subject is under the consideration of a committee of experts, I need not say anything more on it just now.

"(5) Another remedial measure which is sure to have a very salutary effect on the condition of the agricultural classes, and render them less exposed to the baneful effects of a season of drought and scarcity, is the exercise of moderation in fixing the share which the Government should take on account of land-revenue, and the permanent fixation of this share in provinces or parts of Provinces where circumstances may be found to justify the adoption of this measure. My Lord, in places where the maximum culturable area has been brought under tillage, there is no good reason for not permanently fixing the Government revenue. So far as the North-Western Provinces and Oudh are concerned, the majority of the districts have reached that condition. Means of communication have been opened in these districts, and no further development in this respect can be expected. The plea of a further rise in the prices of marketable commodities can no more have any force, because the usual prices at present prevailing in those localities are what formerly used to be regarded as famine-prices. The prices have reached their utmost limits, and

the expectation of any further rise in sure to meet disappointment. Under these circumstances the proper course for Government is to make the settlement of such places permanent. I venture to say that the landlords will not grudge to give to the tenants more permanency in their tenures, if once they are assured that the Government revenue on their estates will not be liable to future enhancement. The cultivators of the soil will thus have greater security of their tenures and will be enabled to make better provision for times of distress.

"My Lord, I am aware of the Secretary of State's despatch of 1883 on the subject of permanent settlement in the Upper Provinces. But I venture to submit that, in questions like this, the decision once arrived at should not possess the finality of a decree of fate, and, if a good and sufficient cause be shown for reopening of the question and its reconsideration, the Government will be pleased to give it a favourable hearing.

"If the Government do not find their way to reopen that question, they can at least extend the period of the existing settlement from (say) thirty to fifty years. The thought of revision of assessment at short periods hangs like the sword of Damocles over the landowner's head and does not give to him that peace of mind which is so necessary to enable him to improve his own estate and help his tenants in improving their condition.

"My Lord, there is another point in connection with the subject of the periodical revision of assessment of land-revenue which deserves particular attention. The different enactments on the subject do not contain any legislative limit of the minimum and maximum amount of percentage which the Government can take as its share of revenue out of the gross rental. The fixing of such limits is left to departmental circulars, which I do not consider to be a desirable course. Legislative enactments on the subject should fix such limits.

"There is one more point concerning this subject. Government has been imposing cesses and rates from time to time, and the landholder has to pay them out of the share of gross rental which the Settlement-officer pleases to leave to him. The number and amount of these cesses have reached such a limit that there should be a declaration made by the Government that no new cess will be levied in future, nor their rate be enhanced.

"The next and last point to which I beg to invite Your Excellency's attention is the amount which the North-Western Provinces and Oudh are allowed to spend locally out of the revenues raised by them. This is a subject of great importance to my province. I would, therefore, crave the indulgence of Your Excellency's special attention to certain facts and figures in this connection which I shall mention later on. First of all, the sum allotted by the Imperial Government to the United Provinces for their provincial expenditure is not only inadequate, but does not bear a fair proportion either to the amount of revenue raised by the provinces or to the surplus contributed by them to the Imperial Exchequer. Then again, of all the provinces, the North-Western Provinces and Oudh pay the largest contribution to the Imperial Government. The result is that those provinces require larger allotments for education, administration of justice and other reforms which are so necessary to secure the advancement of the people and keep them happy and contented.

"My Lord, the North-Western and Oudh Government is rather in a disadvantageous position in regard to its financial arrangement with the Supreme Government. A look at the figures given in the Finance and Revenue Accounts of the Government of India for the year 1899-1900 will at once show such to be the case. This will be all the more vividly realized when a comparison is made with 'the important and wealthy provinces of Bengal, Madras and Bombay.' In order to make my case more clear, I give below a tabular statement (the figures having been taken from the Finance and Revenue Accounts referred to above) showing in its several columns the total revenues raised by Bengal, Madras, Bombay and the North-Western Provinces respectively (the totals of the several items of the Imperial revenue such as Opium, Salt, Customs, Tributes from Native States, Post Office, Mint, Railways, Receipts by Military Departments, collected by each province being deducted from the above); the contribution

made to the Government of India; the amount left to the Provincial Governments to be spent locally; and the percentages of the last two items on the net revenue. I have not taken into consideration, for purposes of this comparison, the figures for the Central Provinces, nor for 'Assam, the poor province with many wants,' nor for 'the young and rapidly progressive Province of Burma, nor for the Punjab, as all these provinces stand on a different footing.

Name of Province.	Total Revenue of all kinds collected by the Province.	Total of items of exclusively Imperial Revenue collected by the Province.	Revenue after deducting item in column 3.	Portion of Revenue specified in column 4 taken by the Imperial Government.	Portion of Revenue specified in column 4 left to the Province.	Percentage of Revenue specified in column 5 on that specified in column 4.	Percentage of Revenue specified in column 5 on that specified in column 4.
1	2	3	4	5	6	7	8
	Rs.	Rs.	Rs.	Rs.	Rs.		
Bengal .	22,39,15,233	12,00,56,159	10,38,59,074	4,98,03,591	5,40,55,483	47	53
Madras .	14,13,38,175	4,45,11,163	9,68,27,012	5,36,99,475	4,31,27,537	55	45
Bombay .	13,57,03,045	6,32,89,752	7,24,13,293	2,65,48,008	4,58,65,285	36	64
North-Western Provinces and Oudh.	12,74,82,628	2,05,50,971	10,69,31,657	6,04,02,038	4,65,19,619	57	43

"A study of the figures given in the above tables shows that 'rich' Bengal paid only 47 per cent. of her revenue to the Imperial Exchequer, Bombay 36 per cent. (something might be said in favour of Bombay for this special year), Madras 55 per cent., while the North-Western Provinces and Oudh had to pay 57 per cent., having only 43 per cent. left to them for provincial expenses. Our Local Government have repeatedly made representations to the Government of India on the inadequacy of the allotment made to them for their provincial expenditure. When the former quinquennial contract, which terminated with the financial year 1896-97, was about to come to an end, and the terms of the contract at present in force were being settled, the Local Government again pressed their claim for an increase in the allotment for expenditure made to them. The inadequacy of such allotment was admitted by the Government of India and provision was made for allowing the Provincial expenditure on a more liberal scale, by fixing it at 342½ lakhs of rupees, *i.e.*, 22½ lakhs above the figures of the contract of 1892.

"The quinquennial contract having expired at the end of the financial year 1896-97, a new contract for the same period would in the usual course have been settled to come into force in 1897-98; but, as the United Provinces were at that time in the midst of a great famine it was thought that any calculations then made could not have formed a reliable basis for fixing the standards of income and expenditure for future years, and it was therefore decided that for that year a working arrangement was to be made to remain in force for one year only. In the next year contractual relations between the Supreme and Local Governments were renewed, and in March, 1898, a contract for two years was settled, the arrangements for provincializing certain items of income and expenditure, and for dividing others between the Imperial and Provincial Governments, remained with one exception, the same as in the quinquennial contract which expired with the financial year 1896-97; the one exception being an alteration in the old arrangement for sharing certain items of revenue arising from Irrigation. I shall show later on what effect this alteration produced on the Provincial finances.

"It appears that, before the expiration of the biennial contract just mentioned, the Local Government in 1899, with the view of securing more advantageous terms for the future, approached the Government of India on this subject, and the latter Government took into consideration the question 'whether '(1) revised figures should be settled for the years 1900-1901 and 1901-1902 'for the heads of revenue and expenditure treated special in the current Provincial 'settlement with the Government of the North-Western Provinces and Oudh, or '(2) an entirely new settlement to last for five years from 1st April, 1900, should

'be made in respect of these heads.' In considering the above question the Government admitted the fact that 'there has been an improvement of revenue 'under some of the excepted heads which might justify some increase of the 'figures adopted under those heads,' but came to the decision 'to let the figures 'taken for the years 1898-99 and 1899-1900 stand for the remaining two years 'of the current Provincial settlement'.

"From the above it is therefore clear that the existence of the necessity for re-adjustment of certain heads of revenue, and for re-fixing the proportionate shares which the two Governments should get in those heads, has been recognized by the Government of India.

"With Your Lordship's permission I shall now refer to two departments of administration to show how they are affected by the insufficiency of the sums allotted to the Local Government of my province for Provincial expenditure. Our Local Government has no alternative but to spend a much smaller sum upon education than the Governments of other provinces.

"In the year 1899-1900, out of the total sum of Rs. 4,52,46,355 spent by Bengal in the items of Provincial expenditure, Rs. 40,43,682 were spent on Education, giving a percentage of 8·8 per cent. on the total expenditure. Madras spent Rs. 3,90,10,064 on Provincial items of expenditure, devoting Rs. 28,30,087 to Education, which gives a percentage of a little over 7 per cent. on the total expenditure. In Bombay the total expenditure under the Provincial heads was Rs. 4,88,50,342, the sum spent on Education Rs. 34,44,607, thus giving a percentage of a fraction less than 7 per cent. The North-Western Provinces and Oudh occupy the lowest position, their total expenditure on all heads being Rs. 3,59,58,332, and that on education being Rs. 23,51,531, giving a percentage of 6·4 only. The educational wants of the United Provinces are several. Some of the higher educational institutions are in need of greater and better means for teaching Physical Science. The Medical School at Agra, which at present teaches up to the Native Hospital Assistant standard, requires to be raised to the status of a college which can teach up to the M.B. and M.D. degrees, and turn out students qualified as Assistant Surgeons. The establishment of an Agricultural College, and the addition to some of the schools of tuitional staff to give lessons in practical agriculture, as well as the establishment of additional institutions suited to impart technical education, are other educational wants of the United Provinces.

"The judicial administration is another branch which requires strengthening. The state of business, increase of work, as well as the nature and value of the cases, and the important points involved in them, call for the permanent addition of a third Judge to the highest appellate court of the province of Oudh, and also the raising of that Court to the status of a Chief Court—a measure most urgently desired and needed by the people of that province.

"There are other branches of administration which require reforms and improvements, and, if Your Excellency's Government will be pleased to take the claims of the Provincial Government into favourable consideration and increase the amount allotted for Provincial expenditure, they will be placed in a position to remove the wants above described.

"My Lord, I will now cite two specific instances to show how the partnership, if I may be permitted to use the expression, entered into between the Government of the North-Western Provinces and Oudh and the Supreme Government has turned into something like a friendship formed between the dwarf and the giant. Indeed, the Government of India have not only taken the lion's share of the profit, but something more. I doubt not Your Lordship's generous heart will sympathise with the condition of the United Provinces wher the disadvantages under which they have been placed are described.

"After the introduction of the Provincial contract system, in the eighties, the Local Government, by the observance of very rigid economy in every branch of administration, and perhaps at the sacrifice of several useful works, accumulated a balance of a crore of rupees from their savings. The Government of the day, with a view of securing an assured income, which they thought would be left at their disposal, applied that accumulation to the construction of certain railways. These railways have proved very profitable and have substantial income at the present time. But after their completion the Government of India, for reasons not known to the public, took over these railways into their own hands in 1892;

and their income, instead of going into the local exchequer, has since been appropriated by the Imperial Government. The Local Government has thus been deprived of its crore, which it had saved at such sacrifices. I submit, my Lord, that it is fair that either the profit of the railways should be given, or an equivalent increment in the Provincial allotment should be made, to the Local Government.

"My Lord, I have said before that the temporary arrangement in 1897-98 was followed by a two-years contract in 1898-99, and a change was made in the old arrangement for sharing certain items of revenue under the head of Irrigation. The alterations in the terms of sharing the Irrigation revenue were made with the view of benefitting the Provincial Government. But these changes, instead of doing any good to the Provincial exchequer, have proved otherwise. I give below in a tabular form the amount of revenue arising from Irrigation under the different heads, the expenses which are borne by the Imperial and Provincial Governments in connection with those heads, and the profit or loss to the two Governments. These figures are for a period of three years previous to the present settlement coming into force, and for a similar period after its enforcement. The figures for 1900-1901 are not the actuals, but are taken from the Budget Estimates, which alone are available. A glance at this statement will disclose the startling fact that the Local Government has been losing a large sum in this bargain.

1895-96.

	Receipts.	Expenditure.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	25,880	87,470	...	87,470	−61,590
Provincial . .	36,79,410	20,15,150	29,81,260	49,96,410	−13,17,000
TOTAL	37,05,290	21,02,620	29,81,260	40,83,880	−13,78,590
Land-revenue due to Irrigation—Imperial . .	11,74,980	...	...	...	+11,74,980
Minor Works and Navigation—Provincial . .	1,37,290	2,14,920	...	2,14,920	−77,630

1896 97.

	Receipts.	Expenditure.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial . . .	83,700	90,290	...	90,290	−6,590
Provincial . . .	74,78,630	23,85,180	30,34,930	54,20,110	+20,58,520
TOTAL .	75,62,330	24,75,370	30,34,930	55,10,400	+20,51,930
Land-revenue due to Irrigation—Imperial . .	11,74,980	...	...	...	+11,74,980
Minor Works and Navigation—Provincial . .	2,42,620	2,35,990	...	2,95,990	−53,370

1897-98.

	Receipts.	Expenditure.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	1,37,700	1,07,430	...	1,07,430	+30,270
Provincial . . .	89,34,100	25,06,660	30,86,750	55,93,410	+33,40,690
TOTAL .	90,71,800	26,14,090	30,86,750	57,00,840	+33,70,960
Land-revenue due to Irrigation—Imperial .	11,74,980	...	...	...	+11,74,980
Minor Works and Navigation—Provincial . .	2,70,990	3,02,580	...	3,02,580	−31,590

1898-99.

	Receipts.	Expenditure.			Surplus or deficit.
		Working expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial . . .	24,79,284	1,01,686	...	1,01,686	+23,77,598
Provincial . . .	50,48,296	26,79,678	31,30,824	58,10,502	−7,62,206
TOTAL .	75,27,580	27,81,364	31,30,824	59,12,188	+16,25,392
Land-revenue due to Irrigation—Imperial .	11,74,980	...	...	...	+11,74,980
Minor Works and Navigation—Provincial .	2,42,841	2,65,297	...	2,65,297	−22,456

1899-1900.

	Receipts.	Expenditure.			Surplus or deficit.
		Working Expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial	27,57,509	95,360	...	95,360	+26,62,149
Provincial . . .	53,70,041	27,06,799	31,72,144	58,78,943	−5,08,902
TOTAL .	81,27,550	2,80,159	31,72,144	59,74,303	+21,53,247
Land-revenue due to Irrigation—Imperial . .	12,41,086	...	...	...	+12,41,086
Minor Works and Navigation—Provincial . .	2,15,826	3,53,603	...	3,53,603	−1,37,777

1900-1901.

	Receipts.	Expenditure.			Surplus or deficit.
		Working expenses.	Interest paid to Imperial Government.	Total.	
Major Works. Direct Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial . . .	25,28,000	80,000	...	80,000	+24,48,000
Provincial . . .	51,96,000	27,60,000	32,08,000	59,68,000	—7,72,000
TOTAL .	77,24,000	28,40,000	32,08,000	60,48,000	+16,76,000
Land-revenue due to Irrigation—Imperial . .	12,18,000	...	...	...	+12,18,000
Major Works and Navigation—Provincial . .	1,76,000	3,99,000	...	3,99,000	—2,23,000

"Now the present arrangement with regard to the Irrigation-works in my province is as follows: (1) the Local Government should pay interest at 4 per cent. to the Imperial Government on the total capital outlay from all sources; (2) the Local Government should get only half the net direct receipts from major productive works, and the whole of the direct receipts from minor irrigation-works; (3) the Government of India should get half of the net direct receipts from major productive works, 4 per cent. interest and the total land-revenue due to irrigation.

"The working expenses are however heavy and the minor irrigation-works have no profit, and as the Government of India would not remit a pice of the interest, so the arrangement has proved, as I said, injurious to the Local Government. A study of the table of figures which I hold in my hand and which I have given above will show what I mean. These arrangements have been in force since the last three years. Let us begin with the year 1898-99. In that year we find that the Government of India secured a solid income of Rs. 35,52,578. But what was the gain of the Local Government? Why, it lost Rs. 7,84,662 by the bargain! Similarly, in the following year, the loss of the Local Government was Rs. 6,46,679. And when the accounts for the present year are closed it will be seen that in this year also the North-Western Provinces Government has suffered a similar loss.

"My Lord, I have barely stated the facts as I have found them in official papers, and it is for Your Excellency to dispose of the matter in the way Your Lordship deems fit. In my humble judgment, the fair course in regard to this irrigation question is that the India Government should give up their claim upon the net direct receipts from major productive works and land-revenue due to irrigation, and be satisfied only with the 4 per cent. interest paid on the total capital outlay. Otherwise it would be a great mercy shown to the Local Government if it were relieved from the charge of these irrigation-works, if the present arrangements cannot be altered.

"My Lord, the contract now in force will terminate at the close of the next financial year. The revision of its terms and settlement of the next quinquennial contract will most probably come under the consideration of Your Excellency's Government some time in the course of the financial year which is to begin four days hence, and before the next Budget debate. It is submitted that, at the time of settling the terms of the future contract, due regard should be paid to the claims of the United Provinces to have a more liberal allotment for their Provincial expenditure.

"My Lord, in addressing Your Excellency's Council on this point, I consider it my pleasant duty to acknowledge, on behalf of the United Provinces, the liberal and unstinted financial help which the Imperial Government gave to them during the famine of 1896-97, and the readiness with which the Imperial

Government extended a helping hand to the Local Government in restoring the Provincial finances to their equilibrium."

The Hon'ble MR. SMEATON said :—" My Lord, my remarks will be very brief, and will be chiefly concerned with Provincial finance; but before I touch upon that I have just one word to say with regard to an Imperial matter. I congratulate the Hon'ble Financial Member on the exceedingly lucid exposition of a successful year's finance, and notably upon the addition of a new chapter to the statement under the name of Economic Progress. It is a new and a very welcome feature of the Statement, and I hope it is to continue to be a conspicuous feature in future Statements. The Imperial matter to which I wish to draw attention is connected with the circulation of currency notes referred to in paragraphs 93 to 100 of the Statement. Any careful observer must have noticed how confidence in the currency note has increased and how its circulation is also steadily increasing, and I entirely agree with the remarks of the Hon'ble the Financial Member in paragraph 98, in which he says: 'I am, however, strongly of opinion that if the use of currency notes became more general, and larger amounts were held in circulation, the percentage of rupees required to meet demands for encashment would be considerably less than that which is required to-day, when unfortunately the circulation of notes is still hampered by the fact that the holder of the note cannot be assured of converting it into rupees at the Treasury, and is therefore willing, and sometimes obliged, to dispose of his note in the bazar, at a discount.' This I think cannot be disputed. But when we come to the second of the two tables given in paragraph 99 and to the remark in paragraph 100 to the effect that 'the above tables show a decided and satisfactory increase in the average note circulation in the hands of the public,' I venture to think that these words are somewhat misleading. These currency notes are concentrated in the vaults of 267 District Treasuries and in some 1,500 Sub-Treasuries. I do not think that this can be held to be 'in the hands of the public.' I should be inclined to suggest, if I may do so, that perhaps it would be more correct to say that the last column of the second schedule indicates 'an approximate ratio of the increase of circulation.' It is very difficult at any time to estimate the amount of the note money in the hands of the public, but these figures will show the approximate ratio in which the increase of circulation is proceeding.

"And now in regard to Provincial finance. I am very sorry, my Lord, to have to revert to that old and fatiguing subject—the Burma salt. We have had enough of that already, but I really must enter my protest against two remarks which have been made in the Statement and which will be found in paragraphs 19 and 157. The Hon'ble the Financial Member appears to be somewhat dissatisfied with the revenue from the Burma salt. I think that, considering the amazing progress under the other heads of revenue, it is a little hard, even if there had been some reason for it, that we should be found fault with for a small deficit in one year. I will now proceed to explain how the deficit has occurred and to exculpate the Provincial Government from the blame which the Hon'ble Financial Member attaches to it. There is a deficit no doubt in the year that is just closing, and there will be a slight deficit in the year that is now about to open. But, my Lord, what is the reason? It is chiefly in imported salt that the deficit occurs; but that has been caused by the large import of Madras salt which already paid duty in Madras. If the salt which comes to Burma from Madras in large quantities has paid revenue in Madras, it cannot pay it in Burma; the Government cannot eat its cake and have it still; hence the deficit, and I hope that this explanation will be taken as an adequate one. With regard to this matter I said the last word I had to say last year and I will not repeat my arguments. But it seems to be clear that the Hon'ble Member and the Financial Department are looking forward longingly to the eventual extinction of the Burma local salt-industry. Well, if it is to be so, I would ask on behalf of the people that the process of extinction be gradual and as merciful as possible; and the plea for this is strengthened, my Lord, by the remarkable fact that Burma pays now in its general revenue, per thousand of the population, six times more than Bengal, three times more than Bombay and Madras,

four times more than the North-Western Provinces, four or five times more than the Punjab; and I think that, if these large contributions are considered, the little deficit in Salt, even if it had been a real deficit—which it is not—will appear a small matter. And, moreover, Burma makes hardly any drain, as Your Excellency knows, on the Imperial finances for famine, and is of incalculable value as a storehouse and feeding ground tor the rest of India. I make no complaint of excessive taxation notwithstanding these very large contributions; for I know, having been the guardian of these finances for some years, that the resources of the province are equal to the demand and that the burden is fairly equitably adjusted. I admit that, but still there is a limit to the extraordinary expansion that is now witnessed in the direct taxation of Burma, particularly in the l nd-revenue, and I would solicit Your Excellency's attention to the necessity of caution and moderation in taxing the land and to the wisdom of endeavouring to develope the indirect sources of revenue, such as forests and minerals. We know these exist, but they have been lying for centuries idle and only now are being tapped to a very infinitesimal extent. They are the most promising resources in Burma, and I would ask the serious attention of Your Excellency's Government to the necessity of doing everything that is possible to encourage and develope these resources.

"Last year, my Lord, I had occasion to mention, at the instance of Sir Frederick Fryer, the need of a reinforcement of the forest superior staff, and the reasons which the Lieutenant-Gevernor gave were, I think, very strong indeed. He showed that for every increase of that staff there would be a very large proportionate increase of revenue, and he now begs me to point out that owing to the deficiency in the superior controlling staff the forests are not being adequately worked, and such as are being worked are not being economically worked. He asks me to point out that, for instance, in the estimate for 1901-1902 the revenue to be derived from the forests is 77 lakhs of rupees; the expenditure probably will be 31 lakhs of rupees; and the nett surplus will be 46 lakhs of rupees. These forest-revenues are capable of almost indefinite expansion; and so I think there is a very strong case indeed for the reinforcement which Sir Frederick Fryer so earnestly desires. Last year a promise was given that there should be this reinforcement. The promise was given, but I understand it has not yet been redeemed. I would ask that this matter be taken into consideration as early as possible, and that in addition to this the long delayed Forest Bill may also be expedited.

"The surplus, my Lord, of the Provincial revenues, as the Hon'ble the Financial Member points out, is large. He says in paragraph 270: 'The Provincial revenues of Burma are in a most prosperous condition. The revenues have increased very much above the standard of 1897, and the Lieutenant-Governor is in the fortunate position of finding difficulty in usefully spending all the funds at his disposal.'

"The Lieutenant-Governor very wisely resolved to attempt to utilize his very large balances in the construction of a Provincial railway, not connected with the Burma Railway Company—a Provincial railway which shall tap the central part of the Southern Shan States—a railway which has long been expected and anxiously looked for by the people of the Shan States, and one which will do very much to stimulate agriculture in these fertile plains. Your Excellency in the Public Works Department has sanctioned a survey of that line. I hope that when the survey is completed early sanction will be given to the prosecution of the project; and I will add in conclusion, seeing that such a promising project is in hand, that I hope the Hon'ble Financial Member, when the time for the provincial settlement comes round, will make it as liberal and as generous as possible."

The Hon'ble SIR ALLAN ARTHUR said:—"My Lord, I would join the other Members of the Council in congratulating the Hon'ble the Financial Member on the satisfactory condition of the finances of India. To the fixing of the rupee is no doubt to be ascribed in great part the comparative ease with which India can recover from an apparently staggering blow, such as last year's famine; and I venture to think that in a very few years, unless something unforeseen occurs, the Government of India will be able to show a steadily

increasing surplus. I should like to make a few remarks on some points which have occurred to me in studying the Hon'ble Member's highly interesting Financial Statement.

"The first point I would notice is in paragraph 47, in which it is stated that it has often been urged that the relatively high rates of discount prevailing in the busy winter season are due to the low figures of Government deposits with the Presidency Banks during that season. This is not exactly what the banking and mercantile communities urge. Their point is that the Government deposits are much the same all the year round and are not increased sufficiently in the busy season. The busy season comes on concurrently with the season when withdrawals from the circulation to meet Government demands are greatest; and what leads to the relatively high rates of discount in the busy season, apart from the question that more rupees are required to finance the trade of the country, is the fact that a large portion of the circulation is locked up in the Government coffers, just when it is most wanted. To the figures showing the Government deposits with the Presidency Banks, which the Hon'ble the Financial Member has given on page 7 for the months of December to March to prove his case, I have added the figures for April to November to prove my case, although my figures do not correspond with the Hon'ble Member's. He, I think, gives the figures for the last week of each month, when the Government deposits with the Banks are raised to meet the large demands for salaries, etc., in the beginning of the following month; and consequently he shows—quite inadvertently I believe—greater liberality than there has in fact been. The figures I give are the *average* Government deposits with the Banks in each month. The figures are as follows:—

Average Government Deposits with the Presidency Banks during each of the following months, in lakhs.

	1897.	1898.	1899.	1900.	1901.
	₹	₹	₹	₹	₹
January . .	255	275	270	248	264
February . .	277	272	280	258	287
March . . .	306	316	327	271	...
April . . .	331	344	342	272	...
May . . .	216	327	337	262	...
June . . .	264	319	334	257	...
July . . .	241	307	347	287	...
August . .	250	325	314	255	...
September . .	195	302	272	267	...
October . .	264	299	264	241	...
November . .	219	288	235	231	...
December . .	251	242	239	246	...

"I think that these figures when compared with the variations in the total Treasury balances, which I shall shortly place before the Council, completely support the contention of the commercial community not that the Government keep their balances with the Presidency Banks low in the busy season, but that they do not increase them sufficiently in that season. In paragraph 49 the Hon'ble Member admits that the Government of India are not unmindful of the advantage to the business community of placing comparatively large balances at their disposal during the busy season, and I trust this solicitude will be shewn more markedly in future years than it is shewn by the figures which I submit to the Council. I understand that it is held in some quarters that, if the Government balances were markedly increased in the busy season, sales of Council bills would be affected; but the sales of Council bills, like the net imports of specie, will always be regulated in the long run by the balance of foreign indebtedness. The Government of India, by locking up excess amounts of money in the busy season, will probably force the Exchange Banks to enlarge their purchases of Councils and their imports of specie for a time; but the effect will be temporary, as the balance of indebtedness is the ultimate regulator, and there is a danger that later on, when the Government reduces its lock up of money, the currency will be found superabundant. Our Financial authori-

ties have on various occasions hesitated to coin rupees for fear of creating a redundancy of currency ; but nothing is more likely to lead to excess imports of currency and to a redundancy than this dog-in-the-manger policy of locking away an excess quantity of rupees in the busy trade season.

"In paragraph 46 the Hon'ble the Financial Member, in deploring the non-existence of a Financial institution sufficiently strong to lend the Government money at all times for short terms as they may require it, seems to overlook the great differences that at present exist between the rates of interest in the busy and slack seasons, and also between the cash balances of the Presidency Banks at these two periods. The position is that the Hon'ble the Financial Member wants a strong Bank to lend Government money from August to November, and the commercial community want Government to hoard less money during the busy season, January to April. If the Government will comply with the request of the commercial community by increasing the Government deposits with the Banks from January to April, the Banks will, I am sure, be happy to make over a corresponding amount to Government from August to November. At all events, an arrangement such as this might be attempted, and I attach some tables to show how mutually advantageous such an arrangement would be:—

"*The closing cash balances of the Government Treasury for each month of the year undernoted.*

In lakhs.

	1897.	1898.	1899.	1900.
	Rs.	Rs.	Rs.	Rs.
January . .	1,195	1,290	1,419	1,066
February . .	1,187	1,414	1,420	1,107
March . .	1,381	1,596	1,670	1,271
April . . .	1,240	1,369	1,502	1,186
May . . .	1,180	1,280	1,653	1,275
June . . .	1,115	1,519	1,822	1,313
July . . .	921	1,497	1,684	1,426
August .	850	1,137	1,517	1,120
September . .	760	1,397	1,316	971
October . .	809	1,184	980	920
November . .	807	1,127	885	879
December . .	996	1,152	876	1,004

"*The closing cash balances of the Presidency Banks for each month of the years undernoted.*

In lakhs.

	1897.	1898.	1899.	1900.
	Rs.	Rs.	Rs.	Rs.
January . . .	504	435	568	547
February . . .	495	356	526	520
March	490	389	538	620
April	429	440	492	558
May	401	408	488	579
June	479	469	557	768
July	671	517	699	793
August . . .	665	665	560	819
September . . .	591	619	557	773
October . . .	530	653	484	719
November . . .	592	628	587	694
December . . .	420	550	437	526

1901.

January—610 February—554

"The rate of interest is usually much lower during the second half of the year than during the first half, and one reason for the discrepancy is that the Bank cash balances are low when the Treasury balances are high. From the

foregoing figures it will be observed that the average balances for the year 1897 to 1900 were as follows:

	Treasury Balances. Lakhs.	Presidency Bank Balances. Lakhs.
January to April	1,336	494
August to November	1,060	634

"The Banks can spare money when Government are in special need of it, and Government lock away excess sums when the Banks are drained by the seasonal trade demands; and yet the practice of Government is to maintain a steady balance with the Banks all the year round.

"Before leaving this part of the subject, I would remark that the Hon'ble Member's apparent desire for a large Central Bank seems to be not so much to assist trade as to save the situation for the Government during the autumn, when the state of the Treasury balances is such that the Secretary of State is unable to offer his bills freely. But thanks to the amendment of the Gold Note Act introduced by the Hon'ble Member, a stoppage or curtailment of Council bills need no longer hamper trade, provided an ample stock of rupees is maintained in the Paper Currency Reserve, because drafts can be issued under that Act and silver can be shipped to India to meet the drafts with ease and promptitude. It should surely be the business of the State to see that they are always in a position to sell either Council bills or gold note drafts so as to avoid disturbance in the Indian money market. It is in their own interest to do so, otherwise the Exchange Banks must finance their operations by the importation of sovereigns, which have so far proved anything but a blessing to the Government of India in the working out of their currency policy.

"I now pass on to paragraphs 81 and 83, from which I am glad to see that the Government intend to invest the profits on the coinage of rupees in a special fund, which will no doubt immensely assist them in maintaining exchange at 1*s.* 4*d.* It is unfortunate that circumstances have occurred which have made it impossible to remit the whole of the profit already made to London and to invest it; but I would submit that in future the profit should be remitted as made; otherwise, if it is accumulated, the amount when remitted will practically go to swell the amount which the Government of India has to remit to London; and in a year when the balance of indebtedness is less favourable to India than usual, there might be some difficulty in selling the full amount of Council bills.

"From paragraphs 84 and 85 and 88 to 91 it is not quite clear whether the Hon'ble the Financial Member intends in future that the imports of gold and silver for coinage purposes will be regulated in response to the demands of trade as indicated by the proportion of gold to silver in the Paper Currency Reserve, or by some arbitrary amount fixed by the Financial Department. It has been the practice in the past to postpone the regulation of the respective quantities of gold and silver in the currency until excess amounts of sovereigns reached India, and it is doubtless this policy which has brought about the undue proportion of gold to silver in the Paper Currency Reserve. Lately the Secretary of State has reduced his rate for Council bills so as to compete with the import of sovereigns into India, and it is to be hoped that the authorities in London will, when necessary, substitute drafts under the Gold Note Act for Council bills when sales are necessary to put a stop to imports of gold which are shown to be superfluous by the proportion of gold to silver in the Reserve.

"The Hon'ble Member says there are practical difficulties in the way of any attempt to stereotype such a system by legislative enactment; but if one metal can be imported by automatic process to the precise extent required, and if the Secretary of State can substitute the flow of the one metal for the other whenever the Paper Currency Reserve indicates that the change is desirable, it is not clear what difficulties could arise, and it appears highly desirable that the procedure for regulation of the coinage of rupees as well as for the setting aside of the profits on the coinage of silver should be enforced by legislative enactment.

"My Lord, I agree with my Hon'ble friend Mr. Smeaton that a very admirable innovation in the Financial Statement is that part of it dealing

with the economic progress of India. It is not apparent to what extent the Hon'ble Member desires to claim credit to the Government for the progress he shows; but there are many people who think that Government might have done much more than they have done, and that progress is remarkable in spite of a somewhat lukewarm attitude on the part of the authorities as regards many questions. There are not wanting signs, however, that a greater sympathy is being shown by the Government in regard to many matters, and I am particularly glad to note that the Hon'ble Member is of opinion that the question of economic development is one in which those responsible for the financial situation must take the keenest interest. I would direct my Hon'ble friend's attention to a few weak spots still demanding attention, *viz.*, the scarcity of railway wagons not only for transporting coal from the Bengal coal-fields to the sea, but also in nearly all parts of the country; the comparatively meagre support which figures show is given by the Government to local industries; the obstruction which is shown to private enterprise in the matter of the assistance private enterprise may render Government in the construction of railways; and lastly we have our old friend, the highly expensive telegram to Europe, which, notwithstanding that its reduction was declared by the Government of India to be a measure of Imperial importance so far back as 1893, continues, like Tennyson's brook, its monotonous and defiant song of 'I go on for ever.'

"My Lord, I understand that considerable latitude is given to Members of the Council in respect of the subjects on which they may speak on Budget day, and I propose to avail myself of this latitude to make a few remarks on a question which is not a financial question. If it were regarded as such, and the financial screw applied, it would benefit not only the finances of the country but also the dumb creatures for whom I should like to say a word. From all parts of the country one hears that the destruction of the wild animals of India, even in forest-reserves, goes on at an appalling rate; and I cannot think it inappropriate to draw attention to this important subject in the first Council of the land on the only day of the session when Members may speak freely without restricting themselves entirely to the point brought up for discussion.

"From Travancore I have particulars of a low caste man, originally a tea-garden coolie, who has supported himself and his family for many years and saved money by shooting game and selling the flesh to tea-estate labourers, sparing neither cow nor calf, hind nor fawn, all coming alike to him. I hear of two hills in Mysore, once swarming with ibex, where not one of these beautiful animals is now to be seen. From the Satpura Range, the scene of that charming book *Seonee*, come reports of the reckless slaughter of cow bison, of hind sambhur and of deer of every description. Near Agar, where there is no restriction as to the possession of guns, every man who carries a gun shoots every sort of game all the year round, without respect to sex or season. The Government of His Highness the Nizam of Hyderabad not long ago issued a very excellent set of rules to prevent the destruction of game in his dominions. The difficulty of finding game in Cashmere is too well known to require demonstration. On the Nilgiris, it has been found necessary to form a Nilgiri Game Association, and from other parts of India one can get innumerable instances and convincing proof of the cruel and wanton destruction that is going on. Unless something is done to check the evil, the wild animals of India will soon become practically extinct.

"It may be urged that an appeal to preserve the wild animals of India is made for the sportsman only; but it must not be forgotten that all animals are created for a purpose, and the folly of indiscriminate slaughter is only too apparent.

"If certain birds, which are eager insect-destroyers, are killed, the crops suffer by reason of a plague of insects. If the usual food of the tiger, such as deer, pig and so on, are wantonly destroyed, the tiger by the inexorable law of nature must find some other victim, probably the village-cattle, not infrequently the villager himself. If it is necessary that a large number of wild animals be killed in famine years to provide food for the people, the killing should be done with system and in moderation; otherwise, when another famine comes, there will be no wild animals left owing to the slaughter of the young and of females. It should surely be possible to find a remedy for this state of things.

"After the experience of the past session, it seems undesirable to press for fresh legislation on any subject, but the only remedy for the evil I have pointed out would appear to be in legislation. I should make every European or Native alike who wishes to shoot game take out a license to do so, and among other things I would make the globe-trotter pay a heavy export-duty on every trophy that he buys and that he cannot prove to have been shot by himself. Care should be taken not to deprive the cultivator of his legitimate means of protecting his crops from the ravages of wild animals. But it is not the cultivator who is the butcher. The butcher who sits over the drinking places and slays even a female in young, is the man to be got at. What would probably meet the requirements of the case would be a skeleton Bill on the lines of the Mines Act, which the Native States should be invited also to pass into law, and in the Bill the fullest powers should be given to local authorities to make laws and regulations for the correction of the present abuses, including the netting of game, and for, among other things, fixing close seasons. Above all, the basis of the Act should be the protection and preservation of tender age and of the weaker sex. If anything is to be done to prevent one of the great charms of Indian life to Indian and British sportsman alike from becoming a memory of the past, it should be done quickly. My Lord, I am told on good authority that in some parts of the country the people themselves are beginning to recognize and regret the folly and license they have permitted themselves in this indiscriminate slaughter, and they would be less than human if they did not welcome a measure that will bring them back their friends of the jungle."

The Hon'ble RAI BAHADUR BIPIN KRISHNA BOSE said:—"My Lord, before submitting the remarks I have to make I beg to say a word about what the Hon'ble Mr. Sri Ram has said regarding the revenues of the different provinces not being properly distributed for purposes of expenditure. He apparently forgets that the different provinces are not like independent kingdoms standing by themselves. They form integral parts of one great Empire. There are some backward provinces which have not the same revenue as the richer ones, and in order that all may have an equal chance of prospering it is essential that the poorer provinces should be treated more liberally than the richer ones. To lay down one cast-iron rule of proportion or any other rule of that character applying to all alike, rich and poor, thriving province and backward province, will be to accentuate, if not to perpetuate, the backward condition of the backward provinces.

"I join in lamenting with the Hon'ble Sir Allan Arthur that the railway now and then fails to respond to the demands on it. In the height of the famine in the Central Provinces, the price of food-grains was going up by leaps and bounds for several weeks because the railway was unable to supply sufficient rolling stock to carry the grain that the merchants were ready and willing to pour into our distressed tracts.

"In summing up the economic situation, reference was made to the satisfactory character of the evidence of recuperative power except in some unfortunate territories affected by temporary difficulties. I grieve to say that the day when the troubles and tribulations of the people of the Central Provinces will be over is not yet within sight.

"The official year about to close opened there badly. Following upon an almost total destruction of the kharif, the rabi of 1900 was, under the blighting influence of the terrible drought, even worse than that of 1897. Some idea of the heavy loss which this entailed may be formed when it is said that the export of wheat from 1st October 1899 to end of April 1900 was less than one-eighth of the quantity exported during the corresponding period of the last normal year we had, namely, 1893-94. How completely the crops were destroyed would further appear from the fact that, whereas in a normal year the value of imports of food-grains into the province is under six lakhs, in 1899-1900 it rose to 205½ lakhs. The vast quantity represented by this figure was almost wholly paid for with the money given by Government as famine-relief. The miseries resulting from these grievous crop-failures were aggravated by a considerable destruction of plough-cattle. Even before the hot season of 1900, about two lakhs of them had

perished. The export of hides and skins during the year ending 31st March 1900 was 162,000 maunds, which is three times the quantity exported in 1893-94. But when the account of losses comes to be finally made up, it will be found to be more serious than what is indicated by the above figures. For, even in a normal year, it is just after the rains begin that the cattle, half-starved and hard-worked in the hot season, largely die, and this mortality must have been exceptionally high during the rains of 1900, when the conditions were very much more unfavourable than in an ordinary year. Besides, the belated monsoon made matters worse. The returns of rail-borne traffic during the half-year ending 30th September 1900 show that the exports of hides and skins during this period reached the enormous figure of 1,31,000 maunds. The effect of these misfortunes was painfully apparent in the unprecedented rise in the numbers on relief, a rise which was more than maintained in spite of the stiffening of the conditions of relief. In the spring of 1900, for the first time in the history of famines in the province, cultivators who had once seen better days were driven in considerable numbers with their womenfolk and children to seek refuge from starvation in the relief-camps, to labour and live there with people who sweep the village-sites and eat the flesh of dead cattle. Another sad feature of this famine, bespeaking its terribly severe character, has been the loosening of the bonds of caste. I speak not without painful personal knowledge when I say that severe privations were silently put up with as long as there was anything of value left which could be turned into food. But a time at last came when the only safety from the agony of death from hunger lay in accepting State relief. In these melancholy facts mainly lies the explanation of the high percentages on relief, a circumstance which formed the subject of some discussion last year. The highest percentage of people who might have eked out a miserable existence otherwise than by coming on relief was put at ten by some of the witnesses before the Famine Commission at Nagpur.

"The monsoon of 1900, though late, burst upon the country in a steady downpour, and this enabled the people to sow a large kharif area. But in spite of 25 lakhs most generously given as *takkavi* from the public funds and 18 lakhs as gift from the noble charity fund inaugurated by Your Excellency, so great was the loss of resources, that the area sown could not have been much above what was needed for the food of the people. Complete figures are not yet available, but I find that the exports of rice, the principal kharif, from 1st October 1900 to end of February last was 3,21,000 maunds, which is a little less than one-third of the exports in the corresponding period of 1898-99, which itself was not a very favourable year. At the same time the imports of food-grains continued to be large, thus showing that the local produce (after setting off exports) was not enough to meet local wants. The imports from 1st April to 30th September 1900 aggregated as much as 67 lakhs of maunds. But while the kharif gave them their food the hopes of the people to recover the ground lost lay in the rabi. Here, however, and it is most unfortunate, they have met with heavy disappointment. Proper cultivation of rabi was interfered with in several places by heavy rain in August and September and the absence of the *Dewali* showers, which soften the ground for sowing and help germination. Nevertheless, when I left the province in the middle of December last, the people were looking forward to a fair outturn. But the untimely rains since then, accompanied as they have been in some parts by destructive hail-storms, have changed the situation for the worse. It is estimated that the outturn of wheat will not go beyond a third of a normal outturn on a normal area and that of linseed beyond one-fifth. In two districts, which were very hard hit last year, all the spring crops, except wheat, are said to have been wholly ruined. Then again, unlike what happened in 1897, when the prices went down as soon as the famine conditions ceased, the prices this year never regained the normal rates. Indeed, they touched famine figures in many places. Since the new wheat and gram have begun to come to the market within the past ten days or so, the rates have become somewhat easier. The future is full of anxiety both for the people and the Government. I am afraid when the harvesting of rabi will be over and the employments in the fields cease, it may be necessary to start relief in some parts of the province.

"I gratefully acknowledge that proceedings with a view to lighten the

burdens on land and thus facilitate the progress towards recovery have begun. The ten to twelve years' settlement in Bilaspur and Raipur will expire in June next, and the proceedings set on foot last year for a revision of the assessments are, I understand, in abeyance. Considering how hard these two districts were hit during the recent famine and how even this year their rabi has failed, I hope and pray that, when the settlement-operations will be taken in hand again, it may not be with a view to further enhance the total assessment, but, to adopt the language of the Hon'ble Mr. Ibbetson, to redistribute the burden of rent and revenue which might have become unequal during the last twelve years under ordinary circumstances and still more so under the depressing conditions of recent years. Proceedings with a view to abatement of rents of tenants payable to malguzars and of revenue payble by the latter to Government are in progress in Hoshangabad, a district twice described by its Deputy Commissioner as 'bankrupt,' even before the famine of 1899-1900. Speaking at Khurai in the Saugor District lately, the Hon'ble Mr. Fraser thus described the measures taken there :

'It would be difficult to conceive a more serious succession of calamities than I have indicated, and the effect on the country and the people has been most disastrous. When I visited Khurai last year, and now as I have again gone through some of its once flourishing but now ruined villages, I have realized something of what the people must have suffered, and of the feelings of compassion that have stirred the hearts of some of your officers. The facts on which the abatement proceedings are based are certainly startling. In 1892-93 the cropped area of Khurai was 183,825 acres. In 1898-99, the year before this last famine, it had fallen to 81,928 acres—a decrease of 55 per cent. The decrease in rabi cultivation, on which the country mainly depends, was as much as 75 per cent. .....The revenue-assessment, I say, was Rs. 1,29,459; the actual collections during the past seven years have averaged only Rs. 45,800 per annum.....Under the abatement scheme now in progress, the revenue will be reduced to Rs. 55,123, or by 57 per cent. as compared with the assessment. This reduction in revenue is a little more than the percentage of reduction in cropped area (55 per cent); and it will remain in force for the whole period of the settlement. This is the sacrifice which the Government has made with the hope of securing the restoration of this tract to the prosperity which it enjoyed before these seven years of calamity.'

"I entertain no doubt that other tracts which have suffered, though not so grievously as Khurai, will receive similar generous treatment. In connection with this matter I may quote here what Mr. Robertson, Deputy Commissioner, Jabalpur, is reported to have said in his evidence before the Famine Commission :

'The district was in a distressed state. . This is attributable to seven very bad seasons. Under the circumstances, the present assessment in some parts was too high. I would advocate a reduction for the remaining five years of the settlement.'

"I find that under the head of 'Land-revenue' Rs. 80,67,000 have been put down in the Budget against the Central Provinces. The revenue on the roll, including the enhancements of the new settlement, stood at Rs. 85,82,000 on 1st October 1899. Thus the Budget assumes a realization of 94 per cent. Considering that the yield of kharif in 1900 had to be supplemented by imports to meet the local demand for food-supply and that the *rabi* of 1901 is likely to give a poor return, it seems doubtful whether, even with a propitious monsoon, the people will be able to pay as much as 94 per cent. of the revenue-demand. In the year following the famine of 1896-97 the percentage of realization was 82. But the people are more resourceless now than they were after the previous famine; and there will be, besides, this additional difficulty that good seed will be scarce. For, under the unfavourable climatic conditions of this year, the yield of *rabi* will be poor not only in quantity, but also in quality. The Budget provides a most generous grant to the province to enable it to rehabilitate its finances. I venture to hope the same generous treatment will be meted out to the people if their condition does not permit of such a large payment of revenue as 94 per cent. out of the year's produce. I have ventured to draw attention to the matter as the subordinate officials directly responsible for the realization are generally apt to be influenced in their proceedings by what they think Government expects of them than by the capacity of the people to pay.

"Along with the measures that are being taken to relax the pressure of the Government demand, conciliation proceedings with a view to an amicable settlement of private debts referred to by me last year have made further progress. It would appear from Mr. Fraser's Khurai speech that in the district of Saugor unsecured debts aggregating nine lakhs of rupees owed by tenants were remitted in 1899. A wider extension was given to the scheme during this year. Debts owed by pattidars and secured by mortgages and even decrees and amounting to over five lakhs and a quarter have been remitted to the extent of two-thirds. Further remissions to the extent of half in the case of other similar debts are expected. The creditors who took part in this good work well deserved the thanks they received at the hands of their Chief Commissioner.

"But the relief given by remission of existing debts is not likely to lead to any lasting good, unless it is accompanied by banking facilities, which will hereafter provide the tenants and land-owners with funds on fair terms for their current needs and for the improvement of their lands. The question of rural Banks may be said to have been under consideration during the latter half of the now expired century. For I find it pressed on the attention of the Bombay Government by the Collector of Poona as far back as 1854. Nevertheless, it does not seem to have advanced beyond the stage of academic discussion. In 1884, however, a scheme was matured by the Government of India for starting such Banks as an experimental measure in the Purandhar Taluqua of the Poona District. Its main feature may be thus described: (1) the Government was to advance to the Bank a sum of 6½ lakhs for the liquidation of the existing debts of cultivators, loans made out of this advance to be a first charge on their lands; (2) where the Bank would under these liquidation-proceedings acquire the position of first mortgagee, it would enjoy, in respect of further limited advances, the same priority as a first mortgagee can acquire by stipulation under section 79 of the Transfer of Property Act; (3) the Bank was to be permitted to recover through the revenue-authorities the debts referred to above, a light fee being payable on the process of recovery; (4) as regards other loans, no stamp-duty or registration-fee was to be charged on deeds executed in connection with them and no court-fee on suits instituted to recover them was to be levied for a period not exceeding ten years. The scheme fell through, apparently because the Secretary of State would not sanction it. Acts have now and then been passed to release the peasantry and land-owners in some localities of their load of debt, but nothing has as yet been done to enable the thrifty and industrious cultivator to secure loans for agricultural purposes on easier terms than what are obtainable now. I earnestly hope that the enquiry which Your Excellency has been pleased to order will at last bring about the devoutly wished-for consummation. For the people who are to benefit by any scheme that may be sanctioned are sick almost unto death, and whatever has to be done should be done at an early date. The system that seems to find favour is what is called the mutual credit institution based on the principle of co-operation among those who enrol themselves as its members. Evidence regarding its feasibility in the Central Provinces was taken by the Famine Commission at Nagpur, and, as far as I can gather from newspaper reports, there seems to be a consensus of opinion among official and non-official witnessess that its success there is doubtful. This accords with the opinion of some well-informed friends I have consulted and also with my own opinion formed after such enquiry as my limited opportunities have enabled me to make. The scheme we need and which is likely to succeed is the scheme formulated by the Government in 1884. The Bank should take the place of the present money-lenders and be able like them to lend on individual responsibility. This would not, of course, prevent loans being given to associations of borrowers, who would borrow on their combined credit and lend the sum thus borrowed among themselves. The concessions which the Government was prepared to make in 1884 would, I believe, suffice to bring about a reduction of the present rates of interest and also to make the terms otherwise easier for the borrower. These rates and terms are now determined not only by the law of demand and supply but also by considerations arising from the difficulty of recovery through the Civil Courts and the expenses incidental thereto.

"In November last there was a conference at Nagpur between Mr. Higham, Inspector General of Irrigation, and our Engineers and Revenue-officers on the subject of irrigation in the Central Provinces. Speaking before the Council on the 19th of October last, Your Excellency was pleased to say, with regard to the methodical preparation in advance of programmes of famine relief-works, that railway earthwork had been pretty well exhausted and that more roads existed than could be properly kept up, but that there were few parts of the country where works for storage of water were not practicable. They might not, probably would not, be directly remunerative. But if such a work would conduce to greater security of the crops, and if it could be maintained at a moderate cost, it was just the sort of work that should be kept in hand for an emergency. Your Excellency further stated that the recommendation of the last Famine Commission, that the cost of investigating and preparing new projects for protective works should form a charge against the famine grant, has been accepted by the Secretary of State. I believe that it has been made clear in the investigations that have followed the Nagpur Conference that there is a wide field for useful irrigation-tanks in the Waingunga Valley Districts and in the Chhatisgarh, where rice is largely grown, and that, if funds could be made available, surveys could be undertaken and projects prepared. The whole question is now before Your Excellency's Government, and I may be permitted to hope it will receive sympathetic consideration, and that ere long our people may have the satisfaction of seeing these useful projects taken in hand. Further some irrigation-tanks have been partially made in the district of Raipur by famine-labour, and unless they are completed the money spent on them will bring no return. I hope we shall not have to wait for the next year of drought to see them brought to completion. I may mention here that during the recent drought, in one rice-district, a considerable area of cultivation was saved from destruction by two large irrigation-tanks. The villages served by them had a good rice crop and were able to meet with ease the revenue-demand, while in adjoining villages, outside the influence of these tanks, crops failed grievously and large remissions had to be granted.

"In the midst of our misfortunes, the one thing that cheers our heart and makes it overflow with deep thankfulness is the conspicuous success of the campaign, which, under Your Excellency's guidance, our Chief Commissioner, the Hon'ble Mr. Fraser, helped by a noble and devoted band of local officers, waged against an unprecedented combination of calamities that had well nigh threatened to submerge the province. The scars left will no doubt take long to be healed, even with a succession of kindliest of monsoons. Considering the nature of the visitation, it could not be otherwise. But nothing which the indomitable resolve of a great Government to save its people could do to repair its terrible havoc was left undone, and the consequence has been an administrative feat of which any Government may well be proud. How this gratifying result was attained is easily told. To begin with, as soon as it became clear that the kharif was likely to fail, elaborate instructions were issued to grapple with the threatened calamity. As early as the 14th of August 1899, Mr. Ibbetson sent out circular after circular prescribing, down to the minutest details, the various modes of relief to be given, the manner of administering them, the duties and responsibilities of each class of relief-officers, and their relations to one another as forming parts of an integral whole. The result was that, when the distress actually appeared, it found the machinery of relief perfected in every part, and though the demand for help reached proportions far exceeding the limits prescribed on the basis of past experience, on the whole it did not outstrip the capacity, or dislocate the organization, to meet it. Valuable time was not lost in hazardous experiments to gauge the existence of distress needing relief through test-works with stringent deterrent conditions attached. As has been demonstrated elsewhere, even starvelings will prefer death to working for a wage that will not let them have a mouthful for themselves and their dependents. That most important part of relief, village-relief, was organized from the very outset. Relief-works, specially large works, were not possible until the rains ended, and in order that the poorer able-bodied labourers might not starve and thus run down in condition, necessitating expensive medical relief later on, it was ordered as an exceptional and temporary expedient

to extend gratuitous relief to them. Necessary safeguards were laid down to prevent abuse, but everything was subordinated to the high ideal that no one was to be allowed to starve or suffer serious privation for want of relief, and thus it was that, when after the rains the works were opened, they found the people in good heart and good condition. A special feature of the works was the prominence given to village-works. Their greater usefulness as compared with much of the road-work that has perforce to be undertaken to create employment for famine-labour was fully recognised. Stress was laid on the desirability of getting these works done as much as practicable through the agency of the village-headmen. Their too great attractiveness was provided against by a rigorous labour-test and a restricted wage. A great deal of most useful work has thus been done. One of the saddest incidents of the famine of 1896 was the collapse of the ordinary system of relief in the case of the aboriginal jungle-tribes. For them Mr. Ibbetson laid down special measures of relief mainly on the lines of the recommendations of the Commission of 1898. The success of this wise and humane policy has been complete; while a too anxious solicitude to save the morals of the people have elsewhere resulted in failure to save their lives. Nor was the protection of cattle forgotten. One of the great horrors of this famine lay in the fact that in many tracts to a famine of food was added a famine of fodder and water for cattle. Government forests were thrown open to grazing, either free, or at reduced rates. The jungle-tribes were employed in the congenial task of cutting grass, which was then baled and sent to places where it was wanted for the cattle, or for supply to large towns. Mr. Ibbetson offered to supply any quantity of fodder to Bombay, but apparently the railway would not or could not supply the rolling stock, and thus it was that, while cattle were dying for want of fodder in other parts, it was lying idle in the forests of the Central Provinces. The above efforts to save our cattle were unfortunately to some extent nullified by the late appearance of the monsoon, which, by prolonging the hot-weather conditions, proved disastrous to the beasts that had till then been kept alive. With the approach of the rains, a somewhat new departure was taken by Mr. Fraser, with the approval, as I understand, of Your Excellency's Government. Most of the large works were closed, both because it was essential in the interest of agriculture that the people should be sent back to their fields, and also because it was difficult to keep large works open during the rains. But it was not forgotten that the resources of the people would at this juncture be at their lowest ebb, that the ordinary openings for private employment would, owing to the exhaustion of resources of the tenants and malguzars, be much contracted, and that in any case the wages earned would, owing to the high prices, be insufficient to buy food for the labourer's whole family. So it was decided to supplement private employment and wages by expansion of village-relief. This took the form of cooked food at kitchens for dependents and of money-doles to able-bodied labourers in return for work supervised by the village-headman in the shape of local improvements and, what is to be specially noted, of weeding and transplanting in fields of raiyats who were themselves unable to employ labour. It would be difficult to over-rate the good this system of relief has done. But for it an appalling mortality, not unlike what took place elsewhere, would have taken place in the Central Provinces and nullified the effect of the gigantic efforts hitherto put forward to keep the people alive. And, what is no less satisfactory, this helped thousands of broken-down raiyats to grow and reap a good harvest. The savings from the wages given are said to have been not inconsiderable, and some have further said that these, without any further State aid, would have carried the people through until the crops ripened. Whether the savings were made because the wages were more than what was needed for bare subsistence, or because the people were determined, whatever the wage, to save a fraction by pinching themselves to provide against the time when Government relief would close and for their other necessaries, certain it is these savings were not enough even with the liberal help from Government to keep the death-rate during the monsoon months within normal limits. In spite of these advantages, the people evidently had to live on reduced rations, and thus, with a system debilitated by insufficient nourishment, they fell an easy prey to the diseases which always break out during the rains. The death-rate began to rise perceptibly from June, when the provincial average

stood at 6·78 as against 2·43 in the same month of the previous year. In July the rate was 6·88 as against 2·05 in the previous year. In August it rose to 7·71. Here I may note that at this time there was no curtailing of relief, the numbers relieved reaching a total of over two millions and a quarter out of a population of ten millions of the affected tracts. In September, with the ripening of the smaller millets, the death-rate went down to 6·82, and in October to 5·65 as against 2·13 in previous October; and it was not till November was reached that we get such a rate as 3·78, which, however, is nearly double the rate in the same month of the previous year. During this period the rate in some tracts approached 18, 17, 16, 15 and 14. The recent census has shown that, whereas between 1881 and 1891 population had increased by 9·61 per cent., between 1891 and 1901 it has decreased by 8·71 per cent., or by nearly 10 lakhs of people. In the face of these significant after-facts, the question whether the wage given was too liberal because the people saved a pinch out of it, and were at the same time able to keep body and soul together *for the time being*, would require most careful consideration. A battle against the forces of nature could not be fought and won as it has been in the Central Provinces without a heavy expenditure, but, if human life is worth saving and human misery worth alleviating, then has the money not been ill-spent. At the same time the danger that lurks in the setting-up of a system of relief on this colossal scale is not to be lightly passed over. But the fear of pauperising the people was not allowed to paralyse the hands of the relief-officer. And, now that the thing is over, I do not find that any of our Deputy Commissioners complained that relief had sapped the independence of the people. Possibly in some places they stuck to relief a little longer than what was absolutely necessary, but on the whole it does not appear that there has been any demoralization. Two millions of agriculturists and labourers have gone back to their ordinary occupations in good heart and trim, and, as stated by one Deputy Commissioner before the Commission, the work in the fields was quietly resumed when the proper time came without any sign of loss of self-respect. I must confess I feel a glow of supreme satisfaction at these achievements of my Government under circumstances of unparalleled difficulty. I am sure the general verdict will endorse what it has been my privilege to say before this Council today.

"I cannot conclude my reference to the famine in my province without a word about the Charity Fund. I need say no more than this, that it is impossible for those whose high privilege it has been to take part in its blessed work not to acknowledge with the warmest gratitude the benefit it has conferred on the people. As I have said elsewhere, a mere enumeration of the numbers relieved will give but a faint idea of the incalculable good it has done. For the hope that has been infused into the hearts of the people, for the opportunity they have to build up once more the fabric of their prosperity, they are no less indebted to the noble Charity Fund than to the help from the State funds. And, if they have not been loud in proclaiming their gratitude at this splendid exhibition of charity and devotion in the sacred cause of humanity, none the less the moral effect of all that has been done for them in drawing closer together the tie that binds them to their rulers must make for good government in its truest, highest sense."

The Hon'ble MR. BUCKINGHAM said:—"My Lord, two very important Bills affecting the industries of India have been passed into law this session, but I do not think it is sufficiently recognized how narrowly we escaped from these Bills coming into force last year in their amended, and I may say objectionable, form. This only shows how disastrously the industries of this country may be affected by undue precipitation in passing any Bill into law, and to Your Excellency alone we are indebted for the postponement of them to the present session.

"My Lord, domestic legislation may be necessary in some cases, but there has of late years been too great a tendency to legislate on Western principles, which not only produces a bad effect, but creates imaginary grievances, and gives agitators the opportunity of saying it is the policy of the Home Government to sacrifice Indian to English interests. The industries of India must, to a great extent, be allowed to develop spontaneously, according to her requirements and

needs, and, if this can be brought about without over-legislation, capital must and will come more freely into the country. Indian labour is not organized in the same way as it is at home, and it will probably take generations to bring this about. It was very truly said by the late Mr. S. E. J. Clarke, who had made 'India and its people' his chief study for a lifetime, that 'Native labour, whether at a mine or in a factory, has no sort of resemblance to anything known the other side of the Suez Canal. For all purposes of comparison, India might be a part of the planet Mars.' Labourers come and go in a way which would appear disastrous to an Englishman ignorant of their ways—they disappear for months to get married once, twice or even oftener, and on the pretext of a relation dying, which same relation has more than the proverbial nine lives of a cat: a liberal amount of leave is granted for each such death.

"Regarding the financial position of Assam, Your Lordship said at Tezpur that a larger proportion of the gross receipts of Assam was expended upon the administration and development of that Province than of any other Province in India, and that we were absorbing a large amount of Imperial capital, our balance being on the wrong side of the ledger. I notice, my Lord, that at page 58 of the Assam Revenue Account for last year, the gross income from Assam (Imperial, Provincial and Local) amounted to 146½ lakhs of rupees and the gross expenditure to 109¾ lakhs; to this expenditure may perhaps be added the interest paid on account of the capital of the Assam-Bengal Railway, which I find at page 126 of the Finance and Revenue Accounts amounts to Rs. 20,27,000 on account of Indian interest and an equivalent of about Rs. 10,12,000 English interest, or a total of Rs. 30,39,000. This sum, added to our expenditure, will still leave a balance of 6½ lakhs on the right side of our ledger. It is true that we have not been able to contribute anything to the military and other general charges of the empire; but still I think it will be admitted, my Lord, that we are advancing in the right direction and that we are not such a burden to the Imperial exchequer as we are generally supposed to be. It is also satisfactory to find in this year's Financial Statement, at paragraph 271, that a grant in aid of Rs. 2,00,000 only was required from the Imperial Treasury, and that the damages caused by the earthquake constituted the sole reason for requiring such aid.

"I feel sure, my Lord, nothing would hasten a more satisfactory state of affairs than the construction of a system of tramways and feeder lines to the river and to the main line of railway. One has only to see the development of the country in two years, in the vicinity of the main line, to be convinced that, even if remuneration is not at once forthcoming from the actual working of the line, still the revenue side of the Provincial balance sheet is most beneficially affected.

"I trust therefore, when the time comes, Your Excellency will give us a substantial guarantee towards a system of railroads and tramways throughout the province."

The Hon'ble KUNWAR SIR HARNAM SINGH said:—"My Lord, it is a matter for congratulation that the Finance Member has been able to present to the Council a Financial Statement of such an extraordinary character. It shows how carefully, in a year of unparalleled calamity, the resources of the State have been husbanded, how economy has been exercised in all branches of administration without affecting efficiency, how manfully the struggle has been maintained, how successfully the difficulties of the financial position have been overcome without imposing fresh burdens on the people, and how all gloomy forebodings have been falsified. Receipts have improved, with a single exception, under every main head of revenue, and the originally estimated small surplus has been converted into a handsome one.

"The exception I refer to has been with regard to land-revenue receipts. A heavy deficiency has been recorded, as between the Revised and Original Estimates of land-revenue, amounting to £382,900. I took the liberty of pointing out, during the Budget debate last year, that a rather sanguine view was taken of our sources of Revenue. I said that in Provinces affected by famine the mortality among agricultural cattle would be considerable, that large tracts of land would be lying waste, and that

low prices following on a plentiful harvest would reduce the receipts of cultivators, and that on all these grounds the revenue realizations would be greatly affected. I ventured to observe that in tracts of the country afflicted with famine the increase of land-revenue was overestimated. The Revised Estimates show that I was not wrong in my conclusions.

"I notice that in the Budget Estimate for the coming Financial year, Land-revenue is estimated to produce £474,800 more than last year, and the Finance Member says that, in view of improved prospects throughout the greater part of India, this estimate is unlikely to prove too sanguine. I have my misgivings, my Lord, with regard to this view of the question. Famine has not yet disappeared from the land, and it is feared that a considerable time must elapse before there will be any likelihood of its disappearance. I have to repeat what I said last year with regard to revenue realizations in provinces affected by famine. And then I quite agree with the Finance Minister that, until we are sure of a favourable monsoon, the most moderate estimates may be suddenly and hopelessly falsified.

"The large surplus shown at the end of the financial year was due to exceptional circumstances. Had normal causes been in operation, I believe that the estimated surplus announced last year, in spite of improvement under every main head of revenue, would have been considerably diminished, if not converted into an actual deficit. Had it not been for the saving due to the absence of troops in China and South Africa, and consequent increase in Telegraph receipts, Military Department receipts, and reduced expenditure on Military Works, the financial condition of India would have greatly deteriorated. These extraordinary causes will now soon cease to operate, and the consequence will naturally be a material reduction of receipts. I point to these facts with the view of showing that our sources of revenue are not on a stable footing, and that the increase of receipts in most cases is purely fortuitous.

"I find that in the Budget Estimate for the coming financial year Railways are expected to yield an important increase of revenue. The receipts are expected to exceed those of last year by £331,400. I do not know how this expectation can be fully justified. It is true that some increase may be due to an adjustment of accounts, and also to some extent to an increased mileage opened to traffic. But it must be borne in mind that there will be a considerable diminution of Railway receipts owing to the absence of any large movement of food-stuffs for famine requirements. I believe, therefore, that the increase from the Railway source of revenue has been overestimated.

"Then again considerable reduction has been anticipated under various important heads. I am afraid that the reduction has been under-estimated. Owing to calamities in China, the Opium revenue is sure to be affected, and not only will the abnormally high prices of last year be greatly reduced, but the consumption of opium is likely to be decreased. As has been anticipated, Customs will yield far less than they did last year, owing to reduced imports of sugar. The duties on the extraordinarily large importation of sugar abnormally swelled our receipts during the past year, but there is reason to apprehend that these receipts cannot continue to be in the same proportion in which they have hitherto been fixed. I believe the reduction from this source of revenue also has been under-estimated. Although opinion as to the effect of the countervailing duties on bounty-fed sugar cannot yet be definitely formed, yet it must be admitted that the addition to our revenue from this source exists under most abnormal conditions. It is certainly not an unsatisfactory reflexion, in the language of the Finance Member, that 'this addition to our revenue has been realized at the expense of the European taxpayers, taxed by their respective Governments to provide the bounties which enable foreign sugar-refiners to sell their sugar in India at prices below the cost of production.' But this satisfactory reflexion is constantly accompanied with the apprehension that foreign Governments may before long realize the impolicy of artificially maintaining the selling price of bounty-fed imported sugar, and may at any moment withdraw their subsidies—the effect of which will be the extinction of this source of revenue.

"It appears to me, my Lord, that from what I have said above Indian finan-

ces are not in a satisfactory condition, and our sources of revenue cannot be depended upon with certainty. The Finance Member observes that expenditure in all directions has been so greatly restricted during the period of financial distress, that 'now that we may fairly estimate for an improvement in revenue and an important diminution of charges for Famine Relief, we have been glad to show some comparative liberality in meeting urgent administrative demands.' This to my mind means, my Lord, that the precautions which have hitherto been taken, the vigilance which has been so effectually exercised, are to be relaxed, and that considerable increase in expenditure is proposed. I cannot but view this proposal with apprehension. I fear, as I have pointed out, that there will be a considerable reduction in the estimated receipts. If my fears prove to be well-founded, the proposed increase in expenditure will place our finances in an embarassed position. I am led to think, my Lord, that it is a bad State policy, as it is bad domestic economy, to sanction increased expenditure in anticipation of increased revenue. When the increase is well assured, and the increased revenue is in the Treasury, then extensive schemes of reform may be matured, and money may be freely expended in successfully carrying out those schemes. But when our revenue has not yet recovered its lost balance, or rather I should say when our finances are not in a prosperous condition, when we have to meet urgent administrative demands by raising loans every year, and thus adding to our permanent indebtedness—this, I venture to say, is not the time to launch into large undertakings necessitating a large outlay.

"The Government of India proposes to make a considerable addition to the expenditure on the Army. I admit of course that our whole existence depends on proper provision for the defence of our frontiers, and that the lessons derived from the war in South Africa could not be neglected. I fully realize the gravity of the situation, but still I am inclined to think that the proposed increase on Army expenditure is abnormally high. I am aware that I am treading on delicate ground. The question I have ventured to refer to is certainly an Imperial question, and must be settled on Imperial grounds.

"In dealing with the great question of meeting famine requirements, the Finance Member alluded to the recuperative power of India. 'The fact,' he says, 'that we have been able to meet the extraordinary demands on our resources, due to famine and plague, and that we are today able to present a Budget showing, notwithstanding the simultaneous serious depression in three such important industries as cotton, tea and indigo, a distinct and satisfactory increase of revenue obtained without increase of taxation, is in itself the strongest evidence of that recuperative power.' There is abundant proof that his belief in this recuperative power is not an idle assumption; it is certainly based on substantial facts. What I only wish to say is that this recuperative power and the economic conditions of the country are not so well assured as they have been represented to be. The land-revenue of the country is in a serious condition at present. The proportion of land-revenue to the general revenue is striking. Under normal conditions I think it ought to be over 27 per cent. I notice in the figures adduced by the Finance Member that this proportion has been fluctuating. This may be due to famine, but still the fact remains that the land-revenue taken as a whole has not been able to completely recover its balance. This is the only source of revenue which is on a stable footing. Opium, Salt, Stamps, Excise, Customs, Post Office, Telegraph, and other sources of revenue are not at all to be compared, as regards stability, to land-revenue. That land-revenue is not increasing, but that the porportion of land-revenue to the total of our resources shows a diminishing tendency, is not a matter for congratulation.

"The most important industry in India is agriculture. The prosperity of the agricultural population, to use the Financial Member's language, has, within the last five years, received apparently crushing blows through the unprecedented recurrence of famine. It is difficult to say how long it will take to remove the effects of these crushing blows. I am not prepared to say that the agricultural population in the Indian Empire is 'somewhat better off today than it was a year ago.' The agriculturist's want of staying power during severe famine is in itself a convincing proof of agricultural distress. Then, again, if it is an admitted fact that the indigenous industries of the country are

perishing, and that new industries in sufficiently large numbers are not replacing them, it will be easily conceived that the recuperative power of India in this direction does not assert itself. What I mean to say is that the economic situation of the country, in my judgment, is not so cheering as it has been described to be; and the evidences of general recuperative power are not so many and so satisfactory as they have been represented to be.

"It is, however, very gratifying, my Lord, as I have stated, that the Financial Member has been able to present to the Council such a remarkable budget, without increase of taxation; and the whole country will feel grateful to him for his invaluable services."

The Hon'ble RAI BAHADUR P. ANANDA CHARLU said:—"About this time last year, speaking of the terrible demands of famine, Your Excellency said that you were resolved to devote all the available resources at your disposal to the alleviation of suffering and the prevention of death. It would be as ungrateful as ungracious not to admit, in the most unequivocal manner, that this promise has been kept to the very letter. Nor is it less a matter for gratitude that, instead of adding insult to injury in the shape of diatribes against the alleged unthrift, wastefulness and extravagance of the suffering victims, the Finance Member has, in a spirit of unbiassed justice and strict impartiality, paid a well merited tribute to their frugality, their industry and their powers of endurance —attributes for which they have always received credit, except when disengenuous attempts were made to substitute false for true causes of famine and its attendant evils. As though Providence wished to reward Your Lordship's righteous resolves and hearty performances of them, more than one godsend has come to us with a sheaf of plenty to repair the incident damage or to re-fill the exhausted coffers; such for instance as the unforeseen flush of opium revenue and the repayment from the British Exchequer of charges which the Welby Commission made out to be an unauthorised or unwarrantable burden laid on the Indian tax-payer—although I, for one, think that the amount paid should have included not only arrears, as has been already contended, but also a contribution, as is to be yet contended, towards retiring pay, and pensions, etc., of Indian troops employed in South Africa and China, as was wrung from India in 1884 or 1885 by the British Exchequer when British forces served or were serving India. But amid all this overflow of thankfulness and gladness, it would be failing in an important duty not to notice the shortcomings that exist and not to examine the soundness of certain conclusions, as to economic conditions, recorded in the Financial Statement as following from the figures and facts therein set forth. It is impossible, and it will be unavailing and wearisome, even if it were possible, to go over the entire ground which has been traversed in the Financial Statement and its tables of figures and appendices. Some of the Hon'ble Members who have spoken before me have, besides, a good deal anticipated me, either by saying exactly what I meant to say or in analogically forestalling me. Expenditure, on the Army and on matters kindred to it, is indeed a legitimate battle-ground by reason of being, in the words of the Finance Member, the greatest drain on financial resources. But the Finance Member has said in paragraph 53 on this topic that 'every additional item which has been agreed to, has not only been most jealously scrutinised in the Finance Department, but has also been submitted to the close examination of the Governor General in Council.' In paragraph 54 he has also pointed out how the 'lessons derived from the war in South Africa could not be neglected and how the Government had done their best under the guidance of their military advisers to profit by them.'

"In the face of these assurances and deliverances, it would perhaps be too bold to indulge in criticism. Any little wish that might still linger to probe the question must be effectually quelled by the recollection of the short, decisive and perhaps too curt reply which was vouchsafed, in this very Council Chamber some three years ago, to one who ventured to suggest a modest reduction in the numerical strength of the Indian Army; for the circumstances now are far more inopportune than they were then, seeing how the war-pulse is at the high fever beat all the world over and realising how the doctrine now in the ascendant is that in all countries, great and small alike, to be armed *cap-a-pie* is the only way to be safe, as

much for the preservation of peace as for triumphs in war. The good fortune, and perhaps the best solace as well, in these circumstances, is that this country is ocean-protected on her three sides, by far the largest part for external attack, and that she is not called upon either to maintain a navy of her own or to make contributions towards the cost of the British Fleet.

"Quitting this nettle, which, however one may handle it, must prick one's fingers, I shall confine myself to some words on public works, on irrigation and on the conclusions of economic progress, drawn and recorded by the Hon'ble Finance Member from the figures before him. Judging by the figures set forth in paragragh 60 of the Financial Statement, it looks as though the extension of railways is regarded as several times more important than the works of irrigation—ranging from nine to nearly fourteen times. Upon the relative value of railways and irrigation-works there has always been, and there is sure always to be, a wide and equally decisive difference of opinion, depending, as it does and as it must, on the difference in the stand-points from which they are looked at. It is, however, noteworthy that after Sir Arthur Cotton, of irrigation fame, no one has made or has bid for a name for himself by pressing the exceptional claims of irrigation as energetically as he had done—one who, on the banks of the Kristna and the Godavari, is ranked with by-gone Indian saints and receives occasional oblations of sacred water on certain days when those sainted benefactors receive holy offerings for signal, unforgotten service. A great deal, besides, could be said on both sides; and a great deal has been said. Having regard to the main consideration that, while works of irrigation help in raising and multiplying food-stuffs and economic and commercial products, the railways help in their speedy transit to places most advantageous for making profit, the claims of production have plainly a precedence over the facilities of transit. The surplus things to be carried must exist before the carrying agency is called into request. If not, the inevitable consequence is that the bare sufficiency of one place is laid under contribution for the benefit of places where there is want, and the area of scarcity and desolation is made to grow wider and wider—though it must be admitted in the interests of humanity that, if nothing better could be done, it is less objectionable to swell the number of half-starved than to let even a few to die of utter want. One ought not therefore to dogmatise on this knotty problem. It is rather the duty of every one to discuss the question with himself soberly and with the paramount, if not the sole, object of preventing the too speedily recurring famine. I humbly think that, making the amplest allowance for every pertinent consideration, the claims of irrigation have not, and have not had, such warm and vigorous championship and such large and continuous outlays as they deserve. Neither in the Financial Statement nor in its annexures do I find any detailed or defined scheme for the creation of a Government system of wells, to tap subterranean streams by way of supplementing the service of canals and reservoirs, which are solely dependent on monsoons, which have, of late, learned too much the trick of being fitful or precarious. I know it may be said, as it has been said, that this was a pure Provincial affair and that the Provincial Governments would surely be attending to it in the requisite degree. So are many of the canals, in so far as they belong to this or that Provincial Government and so far as they are cut and excavated by the particular Government within whose limits they respectively are. We nevertheless find these canals named and specific allotments labelled on each of them in the Financial Statement. Why should not schemes, devised and formulated in respect of a system of well-supply, be similarly honoured? That there is urgent need for some such course is shown by regard being had for the scanty attention such a system or other irrigation systems command in the Madras Presidency as noted in the following extract from the Hindu newspaper of Friday last:

'From the annual report of the administration of the Irrigation Branch of the Public Works Department in this Presidency during the past official year 1899-1900, it will be seen what little has been done and what more remains to be done. The irrigation-works shown in the sketch map annexed to the report appear like specks in a vast area. The total cultivable area in the districts of the Presidency is 33,423,401 acres, out of which only 3,902,050 or about 12 per cent. only is commanded by the irrigation-works, coming under the classes of major and minor productive and protective works; about 2,601,088

acres are shewn as irrigated by works coming under minor works under the charge of the Revenue or Public Works Department—which are dependent upon rainfall for their supply of water. Deducting these two from the total cultivable area, we find that about 27 millions of acres or nearly 80 per cent. of the cultivable area has no sources of irrigation whatever. Herein lies a great field for the useful and benevolent operations of the Local Government. It may not perhaps be possible to bring all these lands under irrigation, but a large portion of them may be so brought. Unfortunately, however, Government draws its purse-strings tight when expenditure on useful public works has to be undertaken. During the last year, the amount spent on all classes of works from Imperial, Provincial and irrigation-cess funds was about Rs. 50,97,988 against a revenue of Rs. 2,01,75,080. This expenditure, be it remembered, included establishment charges which are not at all on an illiberal scale—tools, plant, construction and repair of quarters for officers and servants. How much of the fifty lakhs was actually spent on works is not clear from the report. It would be well if in future reports the cost of establishment, etc., is eliminated and the actual amount spent on works separately shown in the body of the report.'

"Paragraphs 72 to 76 are devoted to the consideration of the countervailing duties on sugar under the Act to which I lent my humble support in passing. The main ground on which the Act was sought to be passed and on which it was widely supported was that it would safeguard and promote the interests of the many thousands who had many thousands of acres under sugarcane cultivation. Looking over the paragraphs in question, one is sadly disappointed that no figures or facts in relation to that declared object are discernable, and it is no consolation to be told either that certain colonies profited thereby—one more than the rest—or that we were getting revenue at the expense of certain European countries. It is unfortunate that the avowed intention is presumably unfulfilled, and that the suspicion, freely expressed at the time, that it was legislation for the benefit of some of the colonies, seems not to have been altogether unfounded.

"I next beg leave to say a few words on the economic progress on which some stress is laid in paragraghs 101, etc. The propositions laid down in paragraph 102 are, in the highest degree, unexceptionable. They are as follows:—

'(1) The question of economic development is one in which those responsible for the financial situation must take the keenest interest.

'(2) It is comparatively easy for a Government to take money out of the pockets of the public, provided that those pockets are sufficiently well-filled.'

"The first of these propositions enunciates a rule of abstract duty and in it there is not the least flaw. The second proposition, too, is in one sense an abstract principle; and I presume that, in thus unreservedly predicating it, the Finance Member connotes that the pockets out of which the increased receipts have come, as noticed in the Budget, are, as a matter of fact, well-filled pockets; for otherwise there would be little relevancy in the statement of the principle. Is this true as a matter of fact? Reverting for a moment to his paragraph 18, we find that, except Land-revenue, the main heads of receipts are stated to show more or less of an important increase. In the next paragraph he goes into those main heads and virtually votes against many of them to be undeserving of acceptance as more or less permanent or established factors tending to or illustrative of economic progress. Firstly, increase of receipts in Opium is due admittedly to abnormal prices. The receipts from Railways and from Telegraphs are equally due to famine or other adventitious causes. Receipts under the Military Department are, in his own words, purely fortuitous. Eliminating all these, there are but two main heads which are left to be inferred as healthy sources of enhanced income, *viz.*, Salt and Customs. As to Salt, the dictum is inexplicable, unless indeed it is assumed that big lumps of salt are swallowed in lieu of morsels of solid food, or unless there is some chemical process under which salt, combined with air, turns into human pabulum. It is quite plain that salt by itself is no article of food, and that it is only when combined with very much bigger doses of solid substances that it is an ingredient of human consumption. It is therefore somewhat problematic how, except as flavouring the charity doles or famine-rations, so much salt could have been consumed by human beings. If consumed as last suggested, the amount of its consumption is an index of the wide extent of pauperism, relieved

by charity or the State, rather than any criterion of well-filled pockets. Salt might indeed have also been thrown into fields to improve the soil or given to plough-cattle to make them healthy. But in the face of the admittedly terrible holocausts of cattle and the parching-up of extensive areas for want of rain, it is rather a violent conclusion to draw that; in the track of the salt thus extended, prosperity or plenty followed in any appreciable degree.

"Then regarding Customs as an index of progressive well-being by being, as it is alleged, a certain sign of consuming capacity, I shall grant some force in it, and I am entitled to ask whether one swallow would make summer and whether the Customs returns are any indication of well-filled pockets as a matter of necessary inference. I have my serious doubts; and Customs income is no more an evidence of well-filled pockets than is the mere fact of the payment of revenue under distraints and threats of distraints is an evidence of recuperative power. We have had too frequent proofs of full payment of revenue in one year being followed by dearth in the succeeding year to derive from that single fact the comfort that the pockets out of which the revenue has come have much left behind. To make payment of revenue under stringent processes or under menace of them an index of well-filled pockets is like inferring a well-filled granary by the number of rats and bandicoots in the farm-house, or like assuming the solid solvency of one who borrows heavily and pays exorbitant interest. True economic progress will and can come only from the colossal demands on the country's resources being considerably reduced, from the administrative machinery being cheapened a great deal, by the raiyat being relieved of harrassments of re-assessments and re-settlement, and, above all, by the growth, development and multiplicity of industries which constitute a necessary complement of agriculture in working out the prosperity of a country, and which will converge towards producing what the Finance Member has very properly called the highly satisfactory result, from an economic point of view, of substituting expenditure in India for expenditure abroad."

The Hon'ble SIR CHARLES RIVAZ said:—"I have only a very few words to say. My Hon'ble friend Mr. Bose has remarked that 'the day when the troubles and tribulations of the people of the Central Provinces will be over is not yet within sight,' and he seems to think that the estimated land-revenue collections of the coming year have been put at too high a figure for these provinces in the Budget. My Hon'ble friend has, I think, taken rather too gloomy a view of the situation. The present spring harvest has unfortunately been a good deal damaged in parts of the Central Provinces by unseasonable rain, but not to so serious an extent, according to the latest official reports, as my Hon'ble friend has stated; and the last autumn harvest was on the whole a very fair one, especially as regards the rice and cotton crops. The estimated land-revenue collections of the coming year as entered in the Budget are 10 lakhs below the figures sent up by the Chief Commissioner, which again were 5 lakhs below the estimates of the District and Divisional Officers; so it will be seen that the Government of India have fully recognized the necessity of dealing leniently with the land-holders of the Central Provinces in their present circumstances. The estimated collections of $80\frac{3}{4}$ lakhs are made up of $67\frac{3}{4}$ lakhs on account of the current demand of the year and 13 lakhs on account of arrears of suspended revenue; and I may remark that the current demand amounts to $88\frac{3}{4}$ lakhs or 3 lakhs more than my Hon'ble friend has stated it to be. In any case, he need be under no apprehension that any undue severity will be exercised in realizing land-revenue if the coming agricultural season should again unfortunately prove unfavourable. The Chief Commissioner has been authorized, in response to an application recently received from him, to remit all arrears of revenue, amounting to about 21 lakhs of rupees, which accrued previous to the revenue year 1899-1900, that is, the year which ended last July, and to exercise his discretion as to remitting up to one-half the demand of the year 1899-1900; and my Hon'ble friend will perhaps accept these orders as an indication of the desire of both the Local Administration and the Government of India to treat the land-holders of the Central Provinces with

generous consideration in view of the undoubted misfortunes which they have lately undergone.

"With reference to the Hon'ble Mr. Smeaton's remarks about the deficiency in the superior forest-establishment in Burma, we have not been unmindful of the promise given by Mr. Ibbetson during the discussion of the Financial Statement last year, but unfortunately we are still hampered by the want of forest-officers in all Provinces. The annual recruitment has been enlarged, but it will take some time before this is felt. I am informed that, compared with other Provinces, Burma is not badly off, and that on the 1st January last there were four young forest-officers stationed there in excess of the sanctioned cadre. The matter shall, however, be looked into again. The forest-revenue of Burma is large, and we will do our best to meet the wish of the Local Government."

The Hon'ble SIR ARTHUR TREVOR said:—"My Lord, I do not think it would serve any useful object for me to try to anticipate what my Hon'ble Colleague in the Finance Department may have to say in reply to the remarks of the Hon'ble Mr. Ashton and the Hon'ble Sir Allan Arthur, on the subject of the financing of productive public works. I may remark, however, that I should have esteemed myself fortunate if things had been as easy during my term of office as I think we may hope they will be in future.

"The question of railway rolling stock to which the same two gentlemen have referred is in a fair way of solution, so far as the grant of funds to meet all demands under this head in full can avail to solve it.

"I agree with the Hon'ble Mr. Smeaton as to the *primâ facie* desirability in the interests of Burma of a line to open up the Southern Shan States. Several alternative proposals for such a line which have been put forward are now under investigation. It will rest with my Hon'ble Colleague in the Finance Department to say, when that time comes, whether, if the results of the investigation are favourable, the accumulated Provincial balance can be made available as suggested for the prosecution of the work.

"I have had the pleasure of a conference with the Hon'ble Mr. Buckingham and the Hon'ble Mr. Henderson on the subject of light railways in Assam, at which the Hon'ble Sir Edward Law was good enough to attend, and which I hope may result in the submission of proposals which the Government of India may be able to accept."

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN said:—"My Lord, I have already laid upon the table an explanation of the estimates with which I am concerned—the Indian military estimates, the Home (Indian) military estimates, the Military Works, and the Marine estimates. I have submitted an abstract of them, and have explained the causes which have led to a considerable extra expenditure for the coming year. It is not necessary for me to repeat the figures which I have already presented. But, as this is the last time I shall have the honour of addressing the Council, I shall ask permission to trespass on their patience while I deal with certain matters upon which I think a somewhat fuller explanation is necessary than that I have already given.

"I have explained more than once how the military expenditure has increased since the measures were carried out in 1885-86-87, under the auspices of Lord Dufferin and the guidance of Lord Roberts and Sir George Chesney, for raising the strength of the British and Native armies, the establishment of reserves, and for the creation of coast and frontier defences. I have also set before them the fact that, besides these great measures, there have been many others which have caused additional military expenditure. The equipment of the field army for mobilisation, the rise in prices and wages, and the increase of the pay of the British and Native army, account for a very large sum; and I have also shown to the Council that in the ordinary annual military expenditure a very large proportion consists of money spent on the pay, the food-supply, clothing, doctoring, and arming of our military forces.

"When I took office five years ago I hoped to have had the leisure to pursue the aim, which for a great many years I had set before myself, to do everything in my power to assist in the completion of all our preparations for

the field army and for the efficiency of the army in general, and to forward all measures which would make for the internal security of India, while endeavouring to apply the money granted to the best advantage, and at the same time searching for means of economy in every branch of the military administration. But besides these I felt that there were many other questions which I might at least help in bringing forward—measures which would be beneficial to the army and to the country, not all of them perhaps of surpassing interest to the public, but which would, if carried out, lead to a considerable improvement in our army system in India. I hoped to have had the leisure to pursue these subjects, and that time would be given me to carry them forward to a conclusion. We had learned many lessons from our experience in the Chitral expedition, and there was no one who had considered the military questions of the day who did not feel that there was a vast deal to be done. But a year had hardly passed when we were confronted by the campaign of 1897-98, on the north-west frontier. In 1898 we were engaged in gathering up the fruits of our experience of the war, in 1899 we had to send a force to South Africa, which saved the situation in Natal, not only by the presence of the gallant troops who left these shores, but by the supply of the stores and munitions of war which we sent with them. In 1900, as I have shown in my memorandum on the estimates, we had to despatch a large expedition to China, and it must be a satisfaction to all of us to know that Her late Majesty's Government expressed their admiration of the promptitude with which the Indian reinforcements were delivered in South Africa, and again that similar satisfaction was expressed at the expedition with which a much larger body of troops was despatched for service in China. It must be remembered that we have no enormous fleet of sea transports at our command. If we had these, with the arrangements for mobilisation at which we have so long laboured and with the reserves we keep up, we should be able to despatch troops beyond sea in much less time. But, gratifying as these results have been, it must be allowed that a time of constant pressure and hard work to all concerned is not one in which reforms and improvements of all kinds can be threshed out. I have certainly not been able to do all that I had hoped for, but I trust that, with the support received from Commanders-in-Chief and from Your Excellency and my colleagues, I at least have been able to pave the way and to make it easier for my successor.

"I have attached to my memorandum on the estimates a paper showing what has been done in the past sixteen years, and I have specially desired to indicate the progress we have made, although we have had no extraordinary grants of money, because some critics have affirmed that since the great measures of 1885, 1886 and 1887, very little has been done to improve our military position in this country. Now, it must be remembered that since these years we have had exceptional financial difficulties—difficulties caused by exchange, by widespread pestilence, by frontier wars, and by two great famines; so that it has been a difficult thing to obtain money to fulfil those military requirements which are necessary.

"Fifteen or sixteen years ago there was no field army, but by degrees, and with comparatively small grants, we have done an immense deal to put that army into a state of efficiency, and time, labour and money have been spent on these preparations. Besides the mobilisation we have had to face rearmaments, though not to the extent that is now necessary; we have reorganised a large portion of the Native army in the direction of higher efficiency; the presidential army system was not suited to the circumstances of the time or to efficiency in war; but, although its abolition involved an enormous amount of labour, it has been replaced by a simpler system of organisation. The pay of the British and Native armies has been increased, and many improvements have been effected in every arm and in every branch of the service. In the North-West Frontier campaigns of 1897-98 our mobilisation scheme had been heavily tried and our resources had been heavily taxed, and we therefore took up all those questions which stood out as the lessons to be learned from the war.

"In 1899, the Commander-in-Chief, the late Sir William Lockhart, and I presented to the Government of India a statement of the measures which we considered necessary for improving the efficiency of the army. In March last

year the Mobilisation Committee sat continuously for some weeks, and the whole situation was again reviewed; and almost with his last breath Sir William Lockhart expressed his approval of the labours which had been undertaken. And in that month we laid before the Government further proposals. The remainder of the year and the first quarter of this has been occupied in a similar manner, and the Government are now in possession of a complete statement—complete at all events for the present time—of what is needed for the army both for the defence of the country and its internal security.

"But, if the Council will permit me, I shall hope to show as concisely as I can, what the large expenditure is, which has been agreed to since we considered not only the lessons of the frontier campaigns of 1897-98, but the still more striking experience of the war in South Africa. The initial expenditure which has been agreed to or proposed by the Government of India amounts in round numbers to Rs. 3 50,00,000 or £2,333,000. I will deal with these measures of improvement under the headings which I have adopted in my memorandum, but, as some of the greatest of them affect every branch of the army, I will mention these in the first instance.

"First and foremost is the rearmament of the Native Army and the volunteers, and upon that we have to expend a total sum of Rs. 2,05,00,000 or £1,367,000; a portion only of which is included in the sum already mentioned, because some of the expenditure on rearmament will fall upon the year after next; that is, we have incurred a portion of the expenditure this year, a further sum is provided in next year's estimates, and the year after the total expenditure should be finished. We hope to complete the armament in a three years' programme instead of in five years as originally settled for financial reasons The next important measure affecting the army is the increase in the number of officers. I need not go into the merits of that question, because it is well-known and appreciated by all that we require a much larger number of officers not only for war, but to provide an establishment sufficient to meet the normal drain upon it from all causes, and for the increased training of the army which must now be undertaken in peace time.

"The third measure is the increase and reorganisation of the transport.

"The subject is too large to deal with in all its details, but experience had shown that our transport was inadequate, that there was no organisation for its rapid expansion, and that we had no system of permanent registration of the transport resources of the country. The proposals made were considered too large to meet at the present time, and we therefore had to re-examine the question to bring it in closer harmony with the exigencies of our financial position. The measures which have been finally accepted were, first, the addition of 26 officers to the transport service; secondly, the organisation of permanent cadres of mule corps, camel corps, and pony-cart trains; thirdly, the creation of a permanent registration staff; fourthly, an improvement in the status of transport drivers together with the formation of reserves of drivers. This plan will give us, besides the 26 officers, an increase of 21 warrant officers, 34 British non-commissioned officers, 273 native officers and non-commissioned officers, 30 veterinary assistants, 228 artificers, and 4,396 drivers. We increased the complement of transport by 2,000 mules last March and have added 2,143 camels under the silladar system; so that we shall have, when our establishment is complete, 54 transport officers, 40 departmental warrant officers, 52 non-commissioned officers, 277 native officers, 149 veterinary assistants, 943 artificers, 21,226 drivers, 21,924 mules, 5,393 camels, 6,660 bullocks, 594 ponies, and 7,067 transport carts.

"The whole subject has received from the transport committee under General Sanford and from other authorities the most exhaustive consideration, and both the late and the present Commander-in-Chief, Sir William Lockhart and Sir Power Palmer, strongly supported the proposals. The transport under the system we have initiated will be capable of expansion. The machinery of the cadres will be linked with the operations of the registration staff in districts, and the transport service will be placed on a footing which will induce good men to enter it; while the military organisation we have proposed will do much to bring about this result. We have also an auxiliary plan for obtaining camels, which has so far been most successful, that of making grants to camel-

owners of culturable land on the Chenab canal, with grazing privileges attached on the condition that they keep a specified number of registered camels for military service; and we hope to apply the same principle to the lands adjacent to the Jhelum canal. This should give us a large reserve of camels, and the results so far have been very encouraging. Of course, our actuals by no means tally with our establishments, because we have had to send a considerable amount of transport to South Africa and also to China; but we are gradually getting the new plan into working order, the mule cadres previously organized under the provisional scheme are in process of completion, and I hope that by the end of this month they will be in fair working order, and that the equipment and gear required will be stored at the head-quarters of each cadre by that time. The purchase of ponies for the pony-cart trains is in progress, and the siege-train and army transport bullock establishments have been reorganised. A vast number of details have had to be settled, and a good many still remain for disposal. We have been greatly hampered by the shortage of officers, but the Commander-in-Chief has been good enough to give us aid from the army—although this has acted injuriously on regiments—as we were unable to supply the officers from the Commissariat-Transport Department. If these officers had not been supplied from the army, we should not have been able to start the new organization. I have only been able to see the initiation of the scheme, but I am sure that under my successor, and General Christopher and Colonel Mansfield, the reorganisation will be carried to a satisfactory conclusion. And, before concluding the subject of transport, I may mention that we have accepted, in a modified way, the conclusions of the committee on ambulance transport which was presided over by Sir Alfred Gaselee. We propose that the existing establishment of bearers or kahars shall be enrolled in companies, that the pay, clothing, etc., shall be improved, and that each company shall be properly organised and commanded; the control of each division composed of a certain number of companies, to be under the Principal Medical Officer of each command. We hope that each company will have the nucleus of further expansion in itself, which will be left, when the company takes the field, as the depôt. In this way we trust that we shall get, what we have not had for many years, bearers physically fit, and that they will know that there is some one to take charge of them and to look after their interests. Under ambulance we have also provided for a large reserve of ambulance riding saddles.

"In the artillery during the past two years we have accepted various measures for its improvement, such as an increase of mountain artillery, improvement of ammunition columns, purchase of material for batteries, increase in howitzer batteries, increase in the number of artillery horses, improvement of the equipment of field batteries, provision of new mountain guns, and an increase to the scale of practice ammunition. The artillery is greatly in need of improved arrangements for mobilisation so as to avoid breaking up batteries to supply those of the field army, and it requires thoroughly and completely organized ammunition columns. All I can say on this point is that the subject has been exhaustively discussed.

"With regard to the cavalry, we have provided for an issue of Maxim guns for the regiments of the field army and for the supply of mekometers and binoculars, also additional heliographs for Native cavalry; and we have also acquired land for cavalry exercise. As to the infantry, a good many minor measures have been accepted in respect to British infantry, and to the Native infantry we propose to give additional officers. Here again we provide Maxims for a portion of the infantry for the field army and bandolier equipment; we have also been able to provide for the improvement of army signalling in the Native army, gymnastic instruction, an increase in the tools for the Pioneer battalions, an office allowance to Quartermasters of Native infantry regiments, and a great many minor items which time does not allow me to mention. We have also provided for five schools for mounted infantry, which will train a considerable number of officers and men and by degrees will establish a fairly large force of mounted infantry in this country both British and Native.

"In the Engineers we have provided for an equipment of war balloons, for ten miles of light tramway and fifty miles of light field railway, for the

completion of the bridge-train equipment, for electric-firing apparatus with service companies of sappers, and for other requirements.

"I have already dealt with transport. Under the head of commissariat we propose an increase of officers as an instalment and various improvements which we trust will make this service more attractive; and we have somewhat improved the pay of warrant officers of the department. If we cannot get officers to enter the Commissariat Department, we must try other inducements, as if we desire economy as well as efficiency we must have adequate supervision and a sufficient number of officers.

"Under the head of medical and hospital service we hope to increase the number of officers of the Indian Medical Service; we have provided for the completion of the equipment of field and general hospitals. In future wars the provision of medical officers, hospitals, etc., will have to be largely increased, and we must not overlook that fact.

"There are also several items in connection with mobilisation, such as the provision of the requirements of mobilisation rest-camps, railway sidings, and water-supply and other things which make for the efficiency of the field army.

"It will be allowed that the development of our manufacturing power is of the highest importance. We are pushing on the cordite factory, and the central gun-carriage factory, and additional grants have been made for this purpose. Both these will well repay the outlay which is proposed not only from the point of view of efficiency but of economy. Then we have decided to propose the establishment of a small-arms factory, so that India may, as far as possible, be independent. This policy will be generally approved, but although it receives its greatest and most attractive development in the manufacture of war material, we must not forget that there are other branches of local industries of the greatest use to the Military Department and most economical to the State. For very many years the brewing industry of India has supplied the soldier with good and wholesome malt-liquor. We have the power of inspection and analysis, and the soldier is supplied at a uniform price wherever he is stationed. From local mills we obtain large quantities of clothing and other supplies, and I trust that every effort will be made to extend this local supply; the boot factory at Cawnpore worked by Messrs. Cooper, Allen manufactured 174,793 pairs of British army boots in 1899 and 246,669 in 1900 up to 30th November; of this number 198,669 pairs were supplied to South Africa. In addition to these quantities the factory supplied 314,262 pairs of boots and shoes for the Native troops in India and for troops elsewhere, or a grand total of 735,724 pairs in the two years. These figures speak for themselves, and testify to the important reserves and manufacturing powers we possess. Before I leave this branch of the subject let me mention that the Army Clothing Department at Alipore under Colonel Buckland have made up nearly 500,000 articles of clothing for South Africa and China, besides supplying about 180,000 helmets, and this without any addition to the normal permanent establishment, a remarkable result only to be accomplished by the zeal and energy of the Superintendent and his subordinates. I know that my Hon'ble Colleague Sir Edward Law is deeply interested in the development of local industries, and I feel sure his efforts in this direction will be rewarded.

"Under the head of internal defence I am glad to be able to announce the measures which the Government of India have accepted for the increased efficiency of the volunteers, such as proficiency and other allowances to officers, larger amount of ammunition, additional help in the construction of ranges, band allowances, and prizes for rifle shooting; and I hope that the better equipment of the volunteers may be carried out later. No one can regret more than I do the delay in the issue of rifles to the volunteers, but we perhaps may hope to issue a percentage, and that steps will be taken the year after next to supply the volunteers with the new rifle. We hope, too, that before very long an officer may be appointed who shall be specially charged with the interests of the volunteers.

"Under the head of coast defences we have provided for various improvements, such as electric lighting, submarine mining, additional garrison artillery, supply of cordite ammunition for certain guns, and a partial rearmament. I

have touched on frontier defences and frontier railways in my memorandum, and it is exceedingly satisfactory to know that there is a large development of traffic on the Nowshera-Dargai Railway.

"But besides such measures as I have mentioned or are enumerated in my memorandum, we are constantly endeavouring to improve the sanitation, health, and comfort of the army. These measures involve large expenditure, but I am convinced that none will repay expenditure so well. We have been able to do something in the way of improving the gymnastic training and, as I have shown in my memorandum, to improve the sanitary requirements. I have been particularly interested in what is being done to improve the meat which is issued for the British soldier's ration; experiments of great value have been undertaken by Captain Meagher; and we are improving and extending grass farms and dairy farms, and increasing them so as to be able to give fresh and plentiful supplies of meat, butter, and milk. And besides the goodness of the supplies, an advantageous financial result is obtained; while cattle-breeding is improved, and fodder production is increased, and I look to the whole of the fodder for the mounted branches being supplied by these farms. The system of fattening slaughter cattle has been a great success, and is being extended, and we hope that the beef and mutton issued to the troops will be immensely improved. Better food and better cooking will, I feel certain, do a great deal for the British soldier. We want more trained directors and managers, and if we get these, I believe that these military farms will prove a remarkable success all over India, and this will be due in a high degree to the enthusiasm, knowledge, and industry of Captain Meagher.

"The sanitary condition of cantonments must always be a matter of the greatest interest to those responsible for the military administration, and although a good deal has been done, and in the course of years we have spent a considerable amount on hospitals, water-supply, drainage and the like, we cannot say that we have approached perfection. We require to derive our piped water-supply from the purest sources, and this may mean going to a greater distance in many cases. This piped water-supply should be connected with all buildings where water is required. The removal of refuse, both liquid and solid, is a matter of immense importance to the health of stations. In my belief the present means of removal, where scientific trenching cannot be undertaken are inadequate. In some cases we ought to have tramways, as they have indeed in some Native States. We are endeavouring to pursue this subject to the best of our means, but those means are not large, and I submit that it would be a good measure to take certain stations and bring them up to the best possible conditions of sanitation in every detail. I commend to my successor the steady pursuance of the policy of quartering British troops in the hills during the hot weather. Our hutted camps have not been increased as much as I could have wished for.

"There is one matter to which I referred very briefly in my memorandum, and which will, I believe, when carried to a conclusion, be one of the greatest reforms which has ever been undertaken for the comfort and welfare of the soldier in barracks, that is, the application of electricity in punkah-pulling and the lighting of barracks by electricity. It cannot be doubted that the discomforts experienced do tell on the health of the British soldier in the extremely trying hot weather in many parts of the country, and the transformation of the barracks into cooler, more cheerful, and better lighted quarters, will effect a vast amelioration in the condition of British troops serving in the plains of India. I may venture to say that Your Excellency has taken the deepest personal interest in this matter, and, although the expenditure will be large, I am sure that there is no greater benefit which can be conferred on the British soldier in this country—a benefit which will be due to the personal interest and sympathy of Your Excellency. I only hope that the name of Lord Curzon will be for ever associated with the carrying through of this beneficent measure for the improvement of the condition of the British soldier serving in the plains of India.

"I would just allude for a moment to three great questions of importance which cannot be left out of consideration in discussing the needs of the

army. The first is the question of the distribution of the troops. I have alluded to that on a previous occasion, and all I need say here is that it has never been lost sight of, but that the enormous expenditure involved has undoubtedly prevented practical effect except in small and minor ways. But we have at this very time under consideration a project which will remove many of the defects which have been noticed in our distribution of troops in this country. The second question is the composition of the Native army as it exists at present. That is a matter which has been considered over and over again. I have shown that we have made great improvements within the last ten or fifteen years, but we must progress further in this path, and at this moment under the Commander-in-Chief's auspices an endeavour is being made to obtain better material and to raise the standard of efficiency in one portion of the army. The third question is that in which I have been specially interested, *viz.*, the creation of a more powerful agency by reorganisation both at Army Head-Quarters and the Military Department to cope with the great work which is before them, and by the more practical training of the staff in all the duties of staff officers.

"Last year I mentioned Lord Welby's Commission and my Hon'ble Colleague Mr. Ananda Charlu has alluded to it today For many years it was one of my duties to help to fight the battle of India in respect to the War Office charges. If we have not got all we hoped for—and I gather that my Hon'ble Colleague does not think we have got enough—I think a reduction of £230,000 a year is a very substantial relief to our Indian military estimates. My statements of the military value of India to the Imperial army made before the Commission were hotly contested at the time, but I think South Africa and China have supported my view of the question.

"And now, if I may be permitted, I should like to say a few words about certain measures with the initiation of which I have been concerned but the completion of which I have not been able to see. The first is with regard to horse and mule-breeding in India and the remounting of the army; this is a matter of immense importance to the efficiency of the army, and from the financial point of view it deserves the highest consideration; while the promotion of horse and mule-breeding among the people of the country concerns the welfare of large numbers. The appointment of a commission under General Tyler to consider the subject was only resolved upon after very great consideration, but it was apparent that we should not arrive at a thorough investigation without such a commission, and I believe—and I have the authority of General Tyler for saying so—that, if their conclusions are correct, there is no reason why India should not take her place as one of the great horse-breeding countries of the world.

"The second matter is the inquiry which has been made by the Special Commissioners, Colonels Huchinson and Wingate, regarding compensation for dearness of provisions, commissariat procedure and accounts, and other matters. I again must affirm that their reports are in every way practical and admirable. I believe we shall derive great benefit from their enquiries, and that the Commissariat Department itself will be vastly improved. One of the results of their labours will, I hope, be the lightening of the burden now thrown upon that Department. Another question in which I have been deeply interested is that of the account and audit system of the army. That system has grown up in course of time; it has in my opinion become over-elaborate, and we are trying to see whether the burden laid upon the army cannot be lightened with due regard to the requirements of audit and financial regularity; in fact, we wish to substitute a simpler system for the complex one which now is in vogue. Colonel Anderson, who has a complete knowledge of the whole business, and has the confidence of the army, is president of the committee which is now considering the subject, and I shall look forward to seeing the results of their labours.

"I have alluded on a previous occasion to the question of the reduction of reports and returns. Very much has been effected under the orders of the Commander-in-Chief, and I hope we have succeeded in the Military Department in doing a good deal. Your Excellency, as I mentioned before, has taken a powerful interest in the matter, and we have undoubtedly reduced a considerable number of returns and have shortened the terribly lengthy reports and

reviews. A great deal still remains to be carried out, but I can thoroughly trust my successor to press on this work with vigour.

"But there is one great subject to which I must refer at the last. I took it up with enthusiasm when I entered upon my term of office, but wars and expeditions and other difficulties have prevented my achieving what I hoped to have done in a matter which I have had at heart for so many years—I mean the decentralisation of military business. Still we have done something. When the presidential system was abolished we decentralised a considerable amount of business. We have since carried this on, and we have now under consideration the report of the committee of which General Burnett was president to see how far the powers of General Officers Commanding districts can be enlarged, and we have also under consideration certain proposals made in the Military Department for what may be called the higher decentralisation of army business and military finance. That is an immense subject to enter upon which would carry me far beyond the limits of a speech of this kind. I can only say that, although I have not seen the realization of the project, I confidently leave it in the hands of the Commander-in-Chief and of my successor, feeling assured also that Your Excellency will do everything in your power to further this great reform.

"Last year I said that the continuity of the hostile criticism of military expenditure had been broken, and, with one exception, those of my Hon'ble Colleagues who have mentioned the subject have spoken of the measures we have undertaken, with approval. Sir Harnam Singh has, however, alluded to the military charges as abnormally high. But as in the same breath he agreed that the army should be efficient and the country secure, I do not think I can regard him as a hostile critic, and hope I have convinced him that the cost of the army is a national insurance which we are bound to incur.

"My Lord, I think that it will be admitted that we have done very much to improve the efficiency of the army and to secure the defence of this country. We have been greatly assisted by a large sum from the savings due to the absence of the troops in South Africa and China and the recurring expenditure is not a very heavy burden, but I am convinced that very great efforts are still necessary. The Commander-in-Chief and I have endeavoured to place before the Government the whole of the requirements of the army, and, so far as it is humanly possible to forecast them, I do not think we have omitted a single item. We can only tell the Government what we consider to be necessary at the present time or in the immediate future, as new scientific, warlike, or political developments may arise which may be followed by great changes. A great deal has been done, but a great deal remains to be done. We cannot propose a state of finality in military affairs. We require to be able to put a powerful army into the field and to ensure the safety of the country. More I cannot say, and I am afraid I have often been accused of too great persistency in this matter, but at all events the Government have the materials for further and greater efforts. The preparation of these materials—and the exhaustive elaboration and discussion of the measures which have actually been carried out—has thrown an immense amount of extra labour on General Maitland and the other officers of the Military Department, not to speak of the very heavy additional calls on the clerical establishment.

"I feel I have trespassed on the attention of the Council long enough, but before I conclude, and as this is the last time I shall have an opportunity, I should like to say a few words with regard to those with whom I have been specially connected in the work of military administration. From successive Commanders-in-Chief I have received the greatest consideration and support, and I am also much indebted to the officers of Army Head-Quarters for their efforts to assist me in my labours. The officers of the Military Department it would be invidious to particularise by name, but I must express my very deep appreciation of the ability and industry with which they have worked, and I would also at the same time desire to express my appreciation of the support which has been given to me by the assistants in that department, who have rendered me the most efficient help. Of the heads of the great departments with which I have been specially connected, the Ordnance, Commissariat-Transport, Military Accounts, Military Works, Medical, Horse-

breeding and Army Remount Departments, I can only say that General Wace, General Hobday and Major-General Christopher, the Commissaries-General for Transport, Colonels Hawkes and Mansfield, Colonel Miley, the Accountant-General, my lamented friend General Turner, Surgeon-General Harvey, Colonel Queripel, and Colonel Goad, have always given me the most valuable assistance. And although I have already mentioned in my memorandum the Royal Indian Marine, for the administration of which the Military Member of Council is responsible, I cannot conclude without referring to the services of Admiral Sir John Hext, and of Captain Goodridge, the Directors of Marine during my tenure of office, through whose work and exertions the Royal Indian Marine has attained, and continues to maintain, the fine position it now occupies. My belief is that the Indian Marine, which I have seen grow up from very tiny beginnings into an admirable service, will prove a powerful auxiliary to the resources of the Empire. From the Commander-in-Chief, Sir Power Palmer, I have always received the greatest help and consideration, and there is no one who is more deeply interested in the efficiency of the army. It is naturally a very great regret to me that I shall no longer be concerned in the military administration of this Empire, or associated in the carrying out of measures for the good of the British and Native Army of India. But my successor, Sir Edmond Elles, is well versed in all the great problems with which we have to deal, and I look forward confidently to his tenure of office being marked by a still further development of wh atwe all have at heart—the efficiency of the army and the security of the country. And now, my Lord, in conclusion permit me to thank Your Excellency and my colleagues, not only for the patience with which you have listened to me today, but also for the kindness and courtesy which I have invariably received in this Council."

The Hon'ble SIR EDWARD LAW said :—"With Your Excellency's permission I will endeavour to answer some of the questions which have been more particularly addressed to the Finance Department during the course of this discussion.

"The Hon'ble Mr. Ashton has spoken forcibly on a question which, in view of the great importance of railway finance on our general financial situation, properly attracts considerable attention.

"I may perhaps, with advantage, first reply to some of his observations on the question of railway accounts as distinguished from the larger question of railway finance.

"My Hon'ble Colleague refers to certain questions connected with the heading 'Loss by Exchange' in our statements. It is perhaps sufficient to say on this point that the heading 'Loss by Exchange' no longer appears in our accounts.

"On the general question, I have already expressed my opinion that it is particularly desirable, in order to encourage investors, that we should seek so to show our main headings of accounts that possible investors, not versed in accounting, and not sufficiently interested to seek for explanations in our very elaborate, and, I consider, very complete, detailed statements, may be able at once to grasp the situation and see at a glance that Indian railways are a very important, and as a whole, a paying undertaking.

"We have, as I pointed out in my Statement, made a practical step in this direction by shewing, grouped together in that part of our accounts more especially devoted to Capital expenditure, the different heads of Capital expenditure on railways, while under the heads Revenue and Expenditure Charged against Revenue, the net result of the working of all our railways is at once evident. I do not say that it is impossible to still further improve our system of railway accounts; but, under present conditions of railway financial organization, it is very difficult in practice to introduce such simplification as may appear easy of accomplishment, until the question is studied closely in detail.

"The Hon'ble Mr. Ashton dwells with great earnestness on the system of raising money for railway construction and asks if our present arrangements are such as to obviate difficulty in finding money for the construction of a desirable railway within the programme. I think that to answer this question

it may be well to endeavour to explain somewhat fully our situation as regard securing capital for railway construction.

"Our resources for this purpose consist of such portions of surplus revenue as we may be able to devote thereto, of capital which we may raise in India by rupee loans, and of sterling loans which may be raised in England either for direct account of Government or for railway companies under Government guarantee.

"When then the Public Works Department presents its statement of desirable and feasible railway expenditure for any given year, the Finance Department have to consider (1) what, if any, is the proportion of surplus revenue which they can afford to give to railways; (2) what is the amount which they can raise in India without unduly straining the resources of the Indian money market; (3) what is the amount which can be raised in sterling in England, whether for direct account of Government or under Government guarantee, without causing the depreciation of credit which must result from any endeavour to raise capital in excess of what the market is freely disposed to give.

"There are only a certain number of investors in England inclined to place their savings in Indian investments at the low rate of interest which we offer, and at any given season their disposition to invest in Indian securities is influenced by the condition of the money market and the profit obtainable at the time in other forms of investment.

"I think it must be admitted that the foregoing considerations place a distinct limit on the sums which we can possibly raise for railway development. I must therefore admit that the construction of the most desirable railways may be unavoidably postponed for want of funds, and I must add that until the investing public shew themselves ready to enter into railway enterprise in India without a Government guarantee, this condition of affairs is likely to continue. With reference to the observations made by the Hon'ble Mr. Ashton in connection with the relation between Exchange and railway enterprise, I would here point out that British investors will never invest their money in India if they have no confidence in the maintenance of Exchange. The question of Exchange, therefore, takes a very primary place in the question of railway finance and the provision of money for railway enterprise.

"I would next say a word with reference to the system adopted for the allotment of capital for the different classes of railway expenditure, and I would call attention to the information given in the Budget Statement shewing that in our programme for 1901-1902 we have given the first place to expenditure on open lines, the second to the completion of lines under construction, and the third, and a very small place, to new lines.

"Before quitting this subject I would like to impress on the mind of my Hon'ble Colleague the fact that from the financial point of view it makes practically no difference to Government whether we are called upon to raise the money ourselves, or whether it is raised under Government guarantee. The responsibility of the Imperial Government remains the same in either case, and further I may point out that, when Provincial Governments offer a provincial guarantee for the construction of railways which they have much at heart, the Imperial Government cannot but feel that they are practically just as responsible for the provincial guarantee as if they had given it themselves.

"The Hon'ble Rai Sri Ram Bahadur in the course of his remarks made a statement regarding the amount of capital raised or debt incurred by the Government during the year, and compared that with the cost of the famine as shown in the Revised Estimates. He said the Government borrowed £3,000,000 in England and three crores of rupees in India, and that if from these two loans we deduct four crores lent to the Native States and which will be repaid, there would remain an addition of three and a half crores to the permanent debt on account of the expenditure on the famine which, however, only cost the Government £4,245,000. I think there is a slight misapprehension in this calculation, for the sums borrowed in England and in India provided not only for famine expenditure, but also for capital expenditure, including railways.

"Another point discussed by the Hon'ble Rai Sri Ram Bahadur is the treatment of local revenues by the Central Government, and in support of his argument that the provinces are not always well treated he adduces

certain figures; but I think that here also the Hon'ble Member is under a slight misapprehension. In the tables which he has drawn up, he shows what he calls proportions of revenue taken by the Imperial Government, and, deducting this from the total, the proportions left to the provinces; but he appears to have assumed that the province has no advantage from the administrative and other expenditure undertaken by the Imperial Government in the province. This is an assumption which I think we cannot admit because expenditure in the province, whether it passes through the accounts of the Local Government or through the accounts of the Imperial Government, is expenditure by which the province is directly benefited. My Hon'ble Colleague further raised the question, which I believe has been frequently discussed before, of the Provincial settlements, and pointed out that according to certain calculations he has made the North-Western Provinces were specially hardly treated in that they contributed a larger percentage of their revenue to Imperial needs than any other of the provinces which he mentioned, and for which he gave figures. The percentages assumed are in themselves subject to discussion, but I think it is hardly worth while to endeavour to establish other figures which in their turn might also be criticised. It is better to consider the subject from the broader ground of the necessary financial relations between the provinces and the Central Government. I think it must be held to be quite impossible that any particular province should be considered as having a special right to a special quota of Imperial revenues. We must look upon the country as a whole, and, where there is a weak and struggling province, it must receive assistance from the richer and more prosperous provinces. Others of my Hon'ble Colleagues at this table today have made certain remarks showing their acceptance of this principle. We have heard remarks from the representative of the Central Provinces, the Hon'ble Mr. Bose, on the subject of the need of his province for assistance beyond that which its revenues can afford, and we have further heard statements by the Hon'ble Mr. Buckingham as regards the needs and the resources of Assam, admitting that Assam is unable at present to provide any contribution towards what we may call Imperial expenses for defence, etc. Well, it stands to reason that if Assam cannot provide a contribution for such expenditure, some other province must, and consequently I think the idea of fixing anything like uniform percentages necessarily falls to the ground. It is a very difficult matter to arrange provincial settlements in an equitable manner, and I fear it is impossible to arrange them in such a manner as to give satisfaction to all concerned. We must, I think, maintain a system which in appearance is more or less arbitrary, but which has, as a guiding rule, that what has been found to be the necessary expenditure of provinces must be the figure used as a criterion in estimating what its future expenditure should be. I do not say that this is a satisfactory system, but it appears to be the only practicable one.

"The Hon'ble Mr. Smeaton has made some observations on the subject of the figures given in my Budget Statement on the circulation of notes, and he objected that my Table II included notes in the Treasuries, and does not therefore really show the amount of notes in the hands of the public. It is perfectly correct that the said table does include the notes in Treasuries, but not those in the Reserve Treasuries; it only includes the amount of notes in the local Treasuries, and these are notes which are practically in continual circulation. Strictly speaking, the figures given are not those of notes solely and exclusively in the hands of the public, but I think they practically represent what may be understood by the expression 'notes in the hands of the public;' they represent notes in general circulation, the notes in the general Treasuries not being, like those in the Reserve Treasuries, locked up and kept aside.

"The Hon'ble Mr. Smeaton has also made some observations concerning our notice that the salt revenue in Burma was not giving all the satisfaction that we might reasonably hope for, and I gathered from my Hon'ble Colleague's remarks that he admitted there might be some ground for criticisms, because he said it was a very little matter—but the idea of the Government of India is that the Burma salt revenue should become a more important matter. We think that at present this revenue is unduly small, but we have no doubt that with

the measures the Local Government are preparing to take, some satisfactory progress will be registered in the course of the next few years.

"With Your Excellency's permission, I may now refer to the important remarks which have been made by the Hon'ble Sir Allan Arthur, and I may at once express my sense of the service which he renders to Government as well as to the commercial community by his competent and unbiassed study of different financial questions.

"Our Hon'ble Colleague takes exception to my remark that 'it has often been urged that the relatively high rates of discount prevailing in the busy winter season are due to the low figures of Government deposits with the Presidency Banks during the busy season' He says that this is not exactly what the business community urge, but rather that the Government deposits are pretty much the same all the year round, and are not sufficiently increased in the busy season. I do not dispute my Hon'ble Colleague's statement. He is in an excellent position to know and to state the views of the commercial community; but I must observe that this view is not quite in accordance with one which is, I believe, also held, namely, that it is advantageous to have a fairly constant balance with the Presidency Banks, while the excess receipts flow into the Reserve Treasuries, the Banks being thereby relieved from the sudden and fluctuating demands which the exigencies of a great Government may entail. It may be possible to find some means of reconciling the two views mentioned, but although I should be glad to see measures devised which might tend to give greater ease to the money market in the busy season of the year, the question of the precise nature of the measures which could reasonably be adopted is a very delicate one, since it is clear that it would not answer in the long run for the money market to be led to consider that Government was in any way definitely bound to provide for its requirements. On this subject I may say that I do not see how, under existing conditions as between the Government and the Presidency Banks, any serious change can be made. It is, however, possible that we may at an early date come to some agreement with the Banks which will enable us to review some of the existing arrangements, and Government will be prepared to give every consideration to the question now raised.

"In the meanwhile, I may once more point out that the balances which are shown by my hon'ble friend's figures to have been at the disposal of the Presidency Banks have not been inconsiderable; while in other ways also, Government has shown its consideration for the requirements of trade.

"As regards the figures showing the average monthly amounts of Government deposits with the Presidency Banks, my Hon'ble Colleague is correct in his supposition that the figures which I gave last week, and with which he compares his own, were those for the last day of each month. They are the figures which were furnished to me by the Department, from our usual monthly statements, on my request for information on the subject, but I am quite willing to admit that the averages now tabulated are more useful than my figures for the purposes of our argument.

"As regards the suggestion concerning the possible effect on the sales of Council Bills which might be caused by placing more currency at the disposal of the Banks in India during the busy season, I can only say that Government has not acted under the influence of such considerations, and has endeavoured to follow, rather than attempted to control, the demands of the market. My own view is that, even if we had the desire to exercise such a control, we have not the power as long as we give rupees for sovereigns at our Mints and Treasuries. We cannot, I think, as the Hon'ble Sir Allan Arthur suggests, 'lock away an excess quantity of rupees' when rupees are required. They would speedily be extracted from us by the importation and presentation of sovereigns. When we find sovereigns being imported in an inconvenient manner, we must increase our offers of Council Bills, and accept, if necessary, lower rates. That is all we can do. The machine will work automatically, and control our general operations.

"On the next question, the desirability of Government being able to raise temporary loans, I fear that my Hon'ble Colleague has somewhat misunderstood the situation as I endeavoured to explain it. We are not in a position to repay temporary loans in November even if we could count on existing Banks being able

(of which I am not perfectly sure) to make advances repayable at that date. November is our month of lowest balances and greatest financial stress, and it is then that we most need money, which we could only repay in the latter part of December, in January, or in February. But these are precisely the months when trade requires funds, and we could not be sure of repaying in time to meet their demands. Possibly some arrangement may be come to, to meet the difficulty, but I do not, so far, see my way clearly. This is also my answer to the Hon'ble Sri Ram Bahadur, who commented on our apparently unnecessary increase of permanent debt. I may assure my Hon'ble Colleague that we shall not increase our permanent debt by one penny which, with due regard to our legitimate requirements, we can possibly avoid.

"On this point some other questions have been raised. An explanation has, I believe, been asked as to why, if we hold the large balances which we have shown, it should be necessary to borrow I think that people who ask that question have asked it through want of experience of the necessity of a very considerable working balance for any Government or indeed any large administrative or commercial organization. The fact that we have money in our Treasuries is not a fact which prevents the necessity for borrowing. Of course, if the money in our Treasuries shows a surplus over the amounts required for daily current requirements, which are always fluctuating and for which we must be prepared, then we need not borrow; but it shows a misapprehension of the whole situation if we are asked why, having considerable balances, we nevertheless find it necessary to borrow. The balances are required and must be maintained.

"With regard to the suggestion that the profits of coinage should be remitted without delay for investment in London, I think that the arguments of my Hon'ble Colleague have an important bearing, but, in any case, we should never make large accumulations for later investment, since it would never be profitable to offer too large sums for investment at one time.

"The next question dealt with by the Hon'ble Sir Allan Arthur is that of the regulation of imports of gold and silver for coinage. As regards gold, I do not think that Government is likely, for some considerable time to come, to be obliged to consider the question of importing gold on its own account. As to private importation of the metal, as matters now stand there is an evident waste in allowing gold to be imported by private parties which Government must subsequently re-export, and we have lately shown by our action that we are prepared to regulate our Council drafts so as to stop, or at all events check, such unnecessary importation. As regards the importation of silver for coinage, I have already endeavoured to explain that we are prepared to import and coin silver whenever the demand for rupees appears to render such a course necessary to insure their supply. Experience enables us to gauge fairly the amount of rupees which, under existing conditions, should be maintained as a minimum in the Currency Reserve, and as soon as it may appear that we are unlikely to be able to maintain that minimum by other means, we shall lose no time in importing and coining silver, at the same time reducing by the necessary corresponding proportion the amount of gold held in the Currency Reserve.

"For reasons which I gave in making my statement on the Budget, I am unable to accept my Hon'ble Colleague's opinion that automatic action can be secured by legislative enactment. We cannot definitely fix for any length of time the amount of gold which, with due regard to the requirements for rupees, can be held in the Currency Reserve; equally, we cannot definitely fix the amount of rupees which should be so held. If our circulation expands, we shall require a smaller proportion of rupees, and can safely hold a larger proportion of gold. If our circulation should contract, we shall be bound all the same to maintain our minimum stock of rupees for current purposes, and we must, therefore, reduce the amount and proportion of gold held. I cannot find any general factor governing the proportion between gold and silver to be held. What is the right proportion with a circulation of 28 crores would (other general conditions remaining unchanged) be a wrong proportion with 32 crores. The only sure guide, to my mind, is the minimum stock of rupees which it is necessary to hold for current requirements.

"The Hon'ble Mr. Bose in the course of his remarks has dwelt strongly on the unfortunate position of the Central Provinces, and though he did not make any direct or special appeal to Government on their behalf, and although he acknow-

ledged with great sincerity and warmth all that has been done by the authorities to meet the distress of those unfortunate provinces, still it seemed to me that he had a feeling that possibly something more might be done. Perhaps I am wrong; but, being under this impression, I may state that, besides contributing Rs. 34,15,000 to the Provincial exchequer, we incurred a direct famine-relief expenditure of Rs. 2,86,32,000, and gave allotments for agricultural advances up to Rs. 40,00 000, making a total of Rs. 3,60,47,000 which Government provided for the benefit of that single province.

"My Hon'ble Colleague also spoke on the subject of Agricultural Banks and expressed his hope that means would be devised and measures taken at an early date for establishing such Banks in the Central Provinces. The Government of India are most anxious to forward some satisfactory scheme, and Your Excellency has taken a first practical step in ordering the assemblage of a Committee to consider the question of establishing such Banks; but I am bound to say that the remarks made by the Hon'ble Mr. Bose are to my mind somewhat discouraging; for I think that for an Agricultural Bank or any Bank of that class to be successful in the long run, it is absolutely necessary that we should establish the principle of mutual liability and that it should be founded on the basis of mutual co-operation. The great idea which has prevailed where such Banks have been successful is that, where a single individual cannot obtain credit, a group of individuals knowing one another, judging of the necessities of one another, judging of the character of one another, and intimately acquainted with the resources, means and character of their neighbours, can co-operate, and offer their joint security, which is a valuable and a tangible one, and unlikely to fail. Where credit is sought by an individual, and Government is invited to take the place of the money-lender, I should greatly fear that Government would find itself sooner or later somewhat in the position of the money-lender as regards the recovery of its debts, that is, Government would find itself either unable to recover the moneys advanced or would appear to that class which it desired to help as a harsh and severe creditor. I do not say that no arrangement can be made; it may be possible to devise some system to meet the special wants of special classes or special provinces; but I am bound to say that I think that any scheme which departs from the general principle of mutual co-operation will be very difficult to carry out.

"I may once more refer to the remarks made by the Hon'ble Mr. Buckingham, and I would say that the Government of India have naturally the interests of Assam quite as much at heart as those of any other portion of the country. I must observe, however, that the country as a whole cannot consider any particular province as a thoroughly satisfactory portion of the body corporate from the financial point of view, when it is found necessary to secure its financial stability by a contribution from the pockets of other provinces. My hon'ble friend himself admitted that Assam is not itself at present in a position to contribute its full quota to the military and other charges of the Empire.

"I now turn to the observations made by my hon'ble friend Sir Harnam Singh. My Hon'ble Colleague has criticized our estimates of revenue as unduly optimistic. I must say that it is rather a surprise and somewhat of a relief to me to hear criticism taking this direction; for I confess that I had rather feared that the contrary might be the case and that we might be assumed to have been over-cautious and to have under-estimated possibilities. I can assure my Hon'ble Colleague that we have done our best to be cautious in every direction in framing our estimates of revenue. In regard to land-revenue, the Local Governments are certainly in the best position to frame accurate estimates, and the Government of India ordinarily accept, after consideration, the amounts proposed by the Local Governments. The proposals of the Local Governments this year were subjected to exceptional and specially careful examination, in both the Revenue and Finance Departments; and we adopted the unusual course of reducing the estimates proposed by 20 lakhs in Bombay, 10 lakhs in the Central Provinces, and 6 lakhs in the Punjab, making a total reduction of 36 lakhs below the amount which Local Governments estimated to realize. It must, however, be borne in mind that the estimates are framed on the assumption that the coming monsoon will be normal. If the monsoon fails in any way, our estimates will be upset, and that not only in regard to land-revenue. The non-realization of the estimates of land revenue in the current year was entirely due to the

day in the establishment of the monsoon, and in some districts to its practical failure. The collections of land-revenue including that from irrigation in the now closing year are expected to be less than the estimate made last March, by 54½ lakhs. Of this falling off, however, no less than 47 lakhs occurs in Bombay, the province in which famine-relief operations have to be continued during the coming year.

"My Hon'ble friend expresses a fear that Government may become too lavish in its expenditure. I am happy to repeat the admission I have already made that we have been encouraged by a moment of comparative financial ease to act as liberally as strict prudence permits in making grants to the Local Governments amounting in the aggregate to 164½ lakhs.

"It is certain that, owing to financial stress during past years, the administration in many provinces has been unduly starved, and a most serious check has been imposed on that material and moral development on which the welfare and prosperity of the people depend. I am convinced that when expenditure is possible we should welcome the possibility of providing for it, and I fancy that, as far as his own province is concerned, he will not cavil at the expenditure of Rs. 12,40,000, the amount of our grant-in-aid to the Punjab, and that he will approve the increase of the grant for Civil Works there to Rs. 37,33,000.

"As regards my Hon'ble Colleague's criticisms on our railway revenue estimates, I think we need not be under any apprehensions that our estimate is excessive. It is perfectly true, and we stated it clearly, that the revenue of last year was abnormally augmented by the exceptionally large transport of food-stuffs required for famine purposes; but the nine lakhs by which we have increased our estimate for the coming year, over what we practically know to have been the realizations of the closing year, is a small addition compared with what we should have been justified in adding on account of the steady development of our railways if we had not taken into account the exceptional causes which increased the revenue last year; indeed, an exceptional increase of mileage would have entitled us to anticipate a special augmentation of revenue above the average of past years.

"I now turn to certain remarks made by my Hon'ble Colleague Mr. Ananda Charlu. I think that my Hon'ble Colleague does not sufficiently realize the importance of railways as a means of alleviating distress by the transport of food-grains to famine districts. This is a question on which the Hon'ble the Chief Commissioner of the Central Provinces has recently borne strong testimony.

"My Hon'ble Colleague has made some remarks on the question of the countervailing duties on sugar, and has asked if those duties had been imposed specially for the benefit of the colonies of the Empire I would suggest to my Hon'ble Colleague that it is absolutely impossible that such a duty could operate exclusively for the benefit of any colony or any single foreign country, and that as long as the duty is levied, as it now is, on produce which it is sought to bring into this country at an artificially cheap price, the Indian producer of sugar must benefit by the maintenance of the duty.

"The Hon'ble Mr. Ananda Charlu then passed on to criticise our estimates of revenue in the sense that he considers them unduly optimistic, and he spoke with considerable severity on the question. As regards salt, he says that salt is not an article of food by itself. That is a truism which we may admit, but he appears inclined to assume that the considerable increase in the consumption of salt must have been solely due to the fact that salt was issued with famine-rations. I can assure my Hon'ble Colleague that such is not the case. Northern India was exempt from famine-conditions, and the increase in the revenue from salt obtained through the Northern India Salt Department was from Rs. 1,94,65,000 in 1899-1900 to the revised estimate of Rs. 1,99,50,000 for 1900-1901, while in Bengal the revised estimate was within Rs. 94,000 of the highest figure ever attained in a generally progressive series of years, and this notwithstanding the fluctuations due to the fact that the greater part of the salt-revenue in this province is due to duty on importation. In Madras, again, which was very slightly affected by famine during the last year, in the sense in which my Hon'ble Colleague spoke, that is, as regards the distribution of rations, we find that the salt-revenue rose from

Rs. 1,85,50,000 to Rs. 1,89,06,000. I think that these figures sufficiently establish my contention that, notwithstanding great trouble and depression in certain Provinces and among certain sections of the population of this country, there was, taking India as a whole, increased general prosperity, and such increased prosperity is, I believe, clearly indicated by an increased consumption of salt.

"My Hon'ble Colleague Mr. Ananda Charlu also dealt with the question of customs, and he observed that customs-revenue returns were no criterion of the situation. He apparently considers customs-duties as revenue raised by compulsion. I must confess that I am quite unable to follow his arguments in this direction. There are necessaries which, to maintain life, a man must obtain no matter how distressed his circumstances, but of such, in a country so happily productive as India, few, if any, can be cited among those articles imported from abroad and paying customs-duty. My hon'ble friend talks of the population as being under a process of distraint. I never knew an honest man under process of distraint consuming articles which were not essential to his existence, and, seeing no reason to call in question the honesty of the Indian peoples, I think I must assume that, if they were able to consume and pay duty on larger quantities of articles not essentially necessary to their well-being, their pockets must have been better filled than at dates when they consumed smaller quantities of the same.

"My Hon'ble Colleague is, I am sure, convinced of my sincere desire to appreciate correctly and to promote, if possible, the welfare of the Indian peoples, and I trust that I may have succeeded in convincing him that, as regards customs-revenue, I am on firm ground in holding that its increase is a sign of increase in average well-being.

"My hon'ble friend says that one swallow does not make a summer. It does not, but I thought I had pointed out a whole flight of swallows when I cited the increases of revenue over budget estimates during the closing year.

"The items of increase excluding those which may be esteemed as fortuitous are as follows:—

Increases in revised over budget estimate, 1900-1901.

Revenue.

	£
Salt, increase	106,000
Stamps, increase	76,300
Excise, increase	137,700
Customs, increase	189,900
Post Office, increase	33,100
Telegraph, increase	85,900
Receipts by Civil Departments, increase	60,500

"I really hope and think that this flight of swallows may be looked on as an indication of the approach of a happy Indian summer!"

His Excellency THE PRESIDENT said:—"We have arrived at the close of what I venture to claim as a practical and businesslike session. A year ago, in my Budget speech, I had to confess and to explain the withdrawal or the postponement of our most important legislative measures. In the present year we have a better record; for not merely have we placed upon the Statute-book a number of subsidiary measures, to one of which, providing a much desired relief in respect of inheritance and of succession-duties to Native Christians, I attach no small weight; but we have also carried into law two Bills of the highest importance, the Assam Labour Bill and the Mines Bill, both of which raised issues of a very controversial character, and were keenly watched by public opinion. I ventured to prophesy last year that we should profit, rather than lose, by postponement; and I have little doubt that, whereas we have in both cases secured general assent, and in one case absolute unanimity, in the final stages of these measures, we should not have been so fortunate had we persisted in pushing them forward at that time. I feel, therefore, that we may all compliment ourselves upon good work done: and although my test of the success of a legislative session in India certainly would not be the amount of the legislative outturn, I yet feel that, even judged by this standard, we have not done amiss. It is hardly

necessary for me to reiterate the opinion to which I have given expression on a previous occasion and which, I am sure, will meet with the enthusiastic acceptance of the Hon'ble Mr. Buckingham, that I am not anxious to strain too heavily the productive capacity of our legislative machine during the remainder of the time that I am in India.

"If our session has been one of a workmanlike character, we may also claim that it has terminated in a very businesslike Budget, and in a discussion of solid interest. My Hon'ble Colleague, Sir Edward Law, has hardly met with the conditions which a financier of repute would voluntarily choose for the inauguration of an Indian term of office. He has had to fight a famine of exceptional severity, and to watch a financial situation that has always been delicate, and sometimes anxious. Nevertheless, at the end of a year of strain, he has been able to convert the almost nominal surplus that was estimated for by his predecessor into a sum of nearly $1\frac{3}{4}$ millions sterling. He can congratulate the country and himself that the currency policy which was inaugurated just before he joined us has gained in strength and stability at his hands, so much so that all those gloomy ravens who sat about and croaked of disaster, at about the time when the London Committee issued its report, seem to have vanished from the scene; and after making the most ample provision for a generous famine expenditure in the Bombay Presidency, which unfortunately is not yet free from serious drought, for increased military expenditure, for a much larger outlay upon railways and upon irrigation, in the forthcoming year, he is yet able to predict a substantial surplus at its close, which, if only we can count upon a recurrence of normal conditions, I shall hope to see largely increased.

"I do not wish to strain these achievements, or the figures upon which they rest, beyond their legitimate scope. I am well aware that we have had a number of windfalls during the past year, which no one could foresee, and upon which we most certainly cannot reckon in the future. But, nevertheless, making due allowance for them, I still claim that the situation is one that is hopeful, both as regards the economic and the financial position of India. I shall revert to the first of these subjects later on. But, as regards the latter, while I should always be cautious in dogmatising either about the durability of any financial situation, or the vitality of any fiscal system, I yet think that, if we examine our main sources of revenue and note their steady increase, we may feel some confidence that, barring a recurrence of disasters which are beyond our foresight or control, India is already beginning to tread upon a brighter and happier pathway.

"There is one heading of the estimates upon which I desire to say a word. I allude to the Military Estimates. They have been introduced in a statement, and have been explained today in a speech, by the Hon'ble Military Member, enumerating the very considerable reforms and additions which we have already undertaken, or are about to undertake, and summarising in a concise manner the principal measures of improvement that have been carried out in the Indian army during the sixteen years with which, in one or another capacity—culminating in the highest—Sir Edwin Collen has been connected with the Military administration of the Government of India. He is now retiring from our service with a record of long and honourable work, such as few administrators can point to, and that has left an enduring mark upon the *personnel*, the organization, and the equipment of the Army in India. May I be allowed to congratulate him upon the record which he has so modestly compiled, and also upon the very substantial addition that he has been able to make to it during the past two years? I am sure that he will be willing to make the reciprocal acknowledgment that, although his proposals have never been more searchingly investigated than during the many hours which the Members of the present Executive Council have spent at the Council table in discussing with him the problems of our military administration during the past year and a half, and although there are many respects in which we have not been able to concede the full measure of his demands, he has not in his long experience been associated with colleagues who were more profoundly impressed with the gravity of their responsibility for the defence of the Indian Empire, both to the inhabitants of this country, and to the larger unit of which India forms a part. I need not repeat today what I said in the Budget debate last year.

I gave a clear warning on that occasion that there would be a rise in the Military Estimates, and that rise has come. I am not in the least disturbed by the argument that all this Military expenditure is a waste, and that the money had much better be spent upon projects of economic development. I would gladly spend the whole of our revenues in the latter way, but I say frankly that I dare not. The Army is required to make India safe; and it cannot be said that India is safe. In the event of an invasion or a campaign, those very theorists who are so fond of the phrase 'bloated expenditure,' and who denounce any attempt to make the Army more efficient that costs money, would be the first to run round and take shelter under the armaments whose expansion they had resisted. Exorbitant or ill-considered outlay, equally with them, I would decry; but my Hon'ble Colleague will bear me out that there is not an item in the new Military expenditure of one million sterling in the forthcoming year which has not been exhaustively threshed out and sifted at the Council table, whether the outlay was half a lakh or twenty lakhs. He has given to Council in his memorandum an indication of the objects to which this expenditure is to be devoted. They are not fanciful experiments, the emanation of the brain of the faddist or the doctrinaire. Still less do they spring from schemes of aggression or advance. There have never been two years in India less marked by a bellicose ambition. The purposes to which the money is to be devoted are such objects as rearmament of the entire Army with the latest weapon, the increase of our artillery and its supply with the most modern guns, a very substantial addition of officers, the creation of an organised transport corps, instead of the fumbling units which have hitherto been a substitute for it, the proper armament of our coast defences, the building of light railways with which to strengthen our frontier posts, the establishment of factories with which to turn out our own military material. I am far from saying that the list of necessary improvements is exhausted. Year by year the discussion has to be resumed in the light of fresh experience and of demonstrated needs. But at least no one can say that, while the whole world has been busy with military reform, we in India have stood still. I remember last autumn reading in the leading organ of the English Press an article about the Indian Army. It was one of those rather sensational letters which, from the cover of anonymity, fling broadcast the accents of denunciation and doom. I never blame the writers of these productions; because their purpose is almost always honest, even where their knowledge is imperfect; and because their invective, though sometimes exaggerated, very often calls attention to positive blots. This particular writer declared that our armaments in India were hopelessly inadequate, our *personnel* insufficient, our equipment obsolete and absurd. How far these opinions are correct must be judged in the light of the information contained in the present Budget and in that of last year. But when the writer went on to say that nothing was being done, or, if being done, was being done so slowly and so incompletely as to be little better than absolute inaction, and that the Government of India was not in the least likely to take the necessary steps, he revealed an ignorance which was profound and, if he possessed any opportunity of learning the facts, culpable.

"In my first Budget speech two years ago, I alluded to twelve important reforms to which I hoped to address myself while in India. I was sufficiently cautious at the time not to indicate their nature, and I remember that there was some playful conjecture as to what they might be. Inasmuch as before we meet again at this table, more than half of the normal term of office of a Governor General will have elapsed, and as I shall be terminating my third, and entering upon my fourth year of administration, I may perhaps take advantage of the present occasion to indicate in more precise language how far the Government of India has travelled up to the present date along the road which we then set before ourselves. I hope I may not be misunderstood. Neither my colleagues nor I desire to claim for ourselves any premature credit for measures as yet only recently introduced, and to which the test of experience has yet to be applied. We also know enough of India not to be sanguine or to prophesy. Just as two years ago I never anticipated that we were standing on the brink of an appalling famine—

the second within three years—so now there may be vicissitudes or risks ahead of us of which we know nothing, and which may upset all our calculations. All I desire to do upon the present occasion is to take the public into our confidence as to the measures which we have placed before ourselves, and to indicate to it that we have not so far been idle.

"First in importance among these objects I placed the creation and pursuit of a sound frontier policy. It seemed to me that many of our blunders and misfortunes had arisen from the fact that there was no settled basis of policy, no principle of action operating throughout that long and troubled zone, but that each situation was apt to be dealt with as it arose and according to the advice or influences that happened to be uppermost. I do not think that there is in this picture any disparagement of the officials who were responsible for what was done. They were dealing with a transitional epoch, in which the frontiers were being pushed forward by the pressure of events, without any policy having been formulated to keep pace with them, and in which there was a tendency to oscillate, according to the predominant influence of the hour, between advance and retrogression. It has always seemed to me that a survey of the whole situation, in the light of our experience, our pledges, our armaments, and our general resources, ought to be productive of a code of frontier policy, which could, with consistency and without violent interruptions, be applied to the whole line of our North-Western Frontier from the Pamirs to Baluchistan. Such a code we have endeavoured to evolve. Its main features consist in the withdrawal of our regular troops from advanced positions in tribal territory, and their concentration in posts upon or near to the Indian border, their replacement in tribal tracts by bodies of tribal levies trained up by British officers to act as a militia in defence of their own native valleys and hills; in other words, the substitution of a policy of frontier garrisons drawn from the people themselves, for the costly experiment of large forts and isolated posts thrown forward into a turbulent and fanatical country. This is the policy that we have been engaged in carrying into effect from Chitral on the north to the Gomal Valley on the south. I do not say that it is a policy unattended with risk. There is no frontier policy capable of being framed that could be described as absolutely safe. I have not uttered one boastful word about it since we began two years ago; and I am not even going to indulge in a murmur of self-congratulation now. The policy has to justify itself: and that it can only do in time. I do not say that it will save us from frontier warfare or from occasional expeditions, or from chronic anxiety. They are the inevitable heritage of a boundary with the physical and ethnographical characteristics of the Indian frontier. All I claim for it is that it is a policy of military concentration as against diffusion, and of tribal conciliation in place of exasperation: and I desire that it should be given a fair chance. I do not at all care by what name it is called. One of the main errors of the past seems to me to have been that, instead of realising that there could be such a thing as a policy upon which all parties could agree, it has been assumed that there were only two policies—the Lawrence policy and the Forward policy—and that a man who was fit to think must be an advocate of one or the other. In my view both of these policies have long ago been superannuated. I have frequently argued in the House of Commons, and elsewhere, that the policy of Lord Lawrence is dead, from the complete change in the situation and from the efflux of time: and I think that there is nothing more dangerous or more futile than to summon dead men from their graves, and to dogmatise as to how they would have dealt with a situation that they could never have foreseen. Similarly, as regards the Forward School, the word is one of those elastic and pliable adjectives which are capable of assuming the most different meanings, from a statesmanlike prevision of military and political danger on and beyond the frontier, to a rash indulgence in military adventure. All I would say is, let us get away from the paralysing influence of labels. Let our new frontier policy be called by any name that men choose. Only let it be based, not upon obsolete political formulas, but upon up to date common sense; and, if it approves itself as time goes on, let it become a tradition and endure.

"The second reform that I set before myself was the constitution, after I had had time carefully to examine the whole situation, of the best form of administration for the Frontier districts. As Hon'ble Members know, these studies led to the recommendation of a new Frontier Agency to be created out of the Trans-Indus Districts of the Punjab, and to be placed under the direct control of the Government of India. This proposal was unanimously accepted by my colleagues here, and has received the assent of the Secretary of State and of His Majesty's Government at home. The papers have already been printed in the form of an Extraordinary Gazette, which will show to the public what were the steps by which we were led to these conclusions. I need not recapitulate them now. We may perhaps feel some reasonable pleasure at the solution of a problem which has baffled successive Governments for twenty-five years. But our new province will have to be judged not by its promise, but by its results. In one respect I observe a great change in public opinion; for, whereas when I left England the majority of those persons whom I had consulted on the desirability of such a change were hostile to it and it was doubtful what might be the reception accorded to it by the Press, I now observe with satisfaction that it is everywhere described as inevitable, and taken as a matter of course. This is rather the way with reforms. They are often vigorously and successfully resisted, as this proposal has been ever since the days of Lord Lytton, who was its first parent. But, when they are ultimately carried, every one shakes hands, and says that the result was a foregone conclusion.

"Third in order of importance I place the steps that we have taken, with the consent of the Secretary of State, to remedy what I hold to have been one of the greatest abuses that have grown up in recent years in this country, and the most subtle and insidious danger to Indian administration. I allude to the frequency of official transfers arising partly out of our leave rules, partly from local systems of official promotion, partly from a preference of the convenience of the individual to the exigencies of the public service. It is hopeless to expect good administration without continuity, intelligent administration without local knowledge, popular administration without personal interest. If these considerations apply to government in any country, much more are they true of a country like India, where large masses of people are being ruled by a small minority of alien extraction. The abilities, the training, and the enthusiasm of the latter are all discounted or thrown away if the officers are shifted hither and thither before they know the district, or have mastered the local dialect, or have acquired the confidence of the inhabitants. It is as though the captain of a cricket eleven were to place his field indiscriminately, and to shift a man from post to post before he had learned the work of one. This great danger in India, as to which I never fail to make enquiries wherever I go on tour, and which in some parts of the country has attained to extravagant dimensions, has attracted our earnest study; and the reform in the Leave Rules which we have instituted, and which, without detracting from the privileges of the Service, will prevent the frequent removal of officers upon leave at short and insufficient intervals, with a consequent chain of transfers and far-reaching dislocation, will, we hope, tend very greatly to mitigate the evil. At the same time we are taking up independently the case of particular Presidencies or Provinces where a bad system seems to call for special treatment, and we have issued general rules, applicable to all, as to the conditions under which district posts should in future be held. Any administrator who in his time can feel that he had done something to draw closer together the ties between rulers and ruled in this country, and to produce that sympathy that can only result from mutual knowledge, may go away with a consciousness of not having altogether failed.

"A corollary of this abuse is the divorce that has been brought about between an officer and his work, or at any rate the most important part of his work, by the interminable writing that has grown up in the administration of this country, and that threatens to extinguish all personality, or initiative, or despatch, under mountains of manuscript and print. The real tyranny that is to be feared in India is, not the tyranny of executive authority, but that of the pen. I do not say that the system is without its good features.

It could not have grown up, it could not have reached its present dimensions, in India, had it not had substantial justification. In a country so large, where the life of officials, even the most sedentary, is so fleeting, where customs and traditions and practice vary so greatly, and where such importance rightly attaches to precedent, it is essential that there should be preserved the written records not merely of administrations but of departments. In this way only can an officer upon arrival in a new district find out what has been going on there before him; and in this way only are the perpetually changing officers in the various Secretariats able to deal with cases, of which, without the written records, they would be in entire ignorance. These are the good and necessary sides of the system. But there is a consensus of opinion among those who are qualified to speak that the engine has become so powerful as to have got the better of its driver, and that those who should be the master of the system have become its slaves. In the Departments of Government I found, when I came here, inordinate writing, unjustifiable repetition, unbusinesslike procedure, and much easily avoidable delay. I do not think that any individual or series of individuals could be blamed for this. It had grown up, so to speak, by stealth; and every one was a half unconscious victim. Three things were necessary. The first step was to make a careful study of the system in the various departments, and to ascertain when and how and why it had grown. I found that it was almost entirely the product of the last twenty-five years, and that it synchronised with the great development of communications, and more especially of the telegraph; in other words, that it was the product of modern centralisation. The next step was to compare our system with those of the best offices in the Government at home, and to see what lessons could be derived from them. The third step was, by consultation with all those officers who are responsible for working it, to ascertain where the pruning knife could most effectively be applied. In this way was drawn up an entirely new set of rules of business for the Secretariat of the Government of India, providing for greater simplification of procedure, less penwork, more frequent verbal consultation, superior despatch. These rules were sent round to all the Local Governments, and with suitable modifications have been largely adopted by them. They have now been in operation for a year and a half in the departments of the Government of India. I watch over them, as my Hon'ble Colleagues and the Secretaries and Under Secretaries know, with all the interested vigilance of a parent, and I have received and desire to acknowledge the most loyal cooperation at their hands. More recently, after prolonged examination, we have attacked that more mischievous development of the same abuse which arises out of the multiplicity and length of reports, and we are striking at its very roots. It is no exaggeration to say that the system of report-writing that prevails in India is at once the most perfect and the most pernicious in the world—the most perfect in its orderly marshalling of facts and figures, and in the vast range of its operation, the most pernicious in the remorseless consumption of time, not to mention print and paper, that it involves, and in its stifling repression of independence of thought or judgment. The Government have made public their views in a Resolution recently published in the Gazette, and we are now addressing all the Local Governments. It is of no use to deal with the matter in pious generalisations, or with academic counsels of perfection. Resolutions or appeals of that sort are gratefully acknowledged, and as speedily forgotten. We have made a detailed examination of every report that comes in from any quarter to the Government of India, and have collated them over a period of years. In this way we have been able to strike a mean, both as to contents, and character, and length. A great many have been found to be useless, and have been abolished altogether. With regard to the remainder, we have issued definite orders in each case, prescribing the manner of compilation and the limits of length. We have invited the Local Governments to do the same with the reports that go up to them but do not come on to us. We are thus thinning the forest, not by a general order to reduce the amount of superfluous timber that it contains, but by ringing every tree in it that ought either to be lopped or to be cut down, and by sending in the woodmen with axes to perform the task. But I may be asked, what is going to come out of all this? Will not

this reformatory zeal soon die down, and be replaced by the normal apathy? Who is going to secure continuity either of energy or plan? I observe that this was the tone of a recent gathering in England that met to discuss this question. A large number of Indian officers of authority and experience attended, and they were all good enough to say that our reforms were excellent, but a good many added that they would be ephemeral. Indeed, one gentleman said that no permanent reform would ever originate in India. Let us wait and see. I at any rate do not mean to be put off by these counsels of despondency and despair. As I said in the Government Resolution, there is no reason why a good practice should not endure just as well as a bad practice, if once it be given a fair start; and I think I have a right to appeal for the cooperation of every officer of Government, from a Governor to a Deputy Collector, to see that that start is given. It is true that Viceroys are fleeting phantoms, whose personality is transient, and whose term is soon over. But this is a work in which is involved not the prestige or the whim of an individual, but the entire credit of British rule in India; and it is even more to the interest of every Local Administration that it should continue than it can be to mine.

"Fifthly comes the great change in our Currency system, to which I have already adverted, and which is now in the second year of successful and tranquil operation. It is, I think, a considerable thing to have escaped for so long from all the inconveniences and troubles arising from an unstable and fluctuating exchange. It was fatal to accuracy of financial forecasting and it was in the highest degree prejudicial to trade. We are now all settling down to a 16*d.*-rupee as if it had existed since the beginning of time; and we make our calculations upon a basis of reasonable certainty. Even the prospects of a redundant circulation of rupees, by which some are frightened, are rendered innocuous by the Gold Reserve Fund which we have established upon the advice of Sir Edward Law, and which is to hold in reserve the gold with which to meet any sudden plethora in the silver coinage. It really seems as though India were entering upon a period of reasonable stability as regards currency: and this new and happy era, which was inaugurated by Mr. Dawkins, may, I hope, be converted into a settled tradition by his successor.

"One of the objects with which I have always welcomed the introduction of the gold standard, placing India as it does in closer contact, and upon even terms, with the money-market of Great Britain, has been the hope that it might accelerate the flow of capital to this country in industrial and other undertakings. This will not come all with a rush; but I think that I see signs that the movement is spreading. And this brings me to the sixth subject, upon which I have bestowed close attention, and to which I have been anxious to communicate a positive impetus. I allude to railways, and I speak not merely of railway construction, but of railway policy and railway finance. I remember, before I came out to India, saying that I hoped that 25,000 miles would be completed in my time. I erred on the side of caution. Though we have had to deal with a curtailed programme in consequence mainly of famine, this total has already been reached and passed. When I made my first Budget speech, the total length of open lines was 22,500. It is now 25,155. In the last two years, our railway account has, for the first time in the history of Indian railways, exhibited a net surplus—a result which must be very gratifying to my Hon'ble Colleague, Sir Arthur Trevor, who has administered the Public Works Department with so much acumen for five years; and we are proposing in the forthcoming year to spend over 10¼ crores upon railways, as compared with 8¼ crores during the past year of famine, and 9 crores in the preceding year. But here I am confronted by a point to which I must make a passing allusion. I observe that a question has been raised as to whether the increase of railways is not an injury rather than a gain to India, and whether by carrying away the food-supplies of the country in times of plenty, they do not leave the raiyat impoverished and exhausted when famine comes. It has been suggested in consequence that, if we do not stop our railways, which are supposed to swell our exports, we ought to restrict the latter. Inasmuch as these arguments appear to me to involve a fallacy of the first order, and to rest upon presump-

tions for which there is no foundation, I may perhaps halt for a moment in order to expose them. The first of these presumptions is that our export of food-grains is largely upon the increase, and that this increase has been in the main caused by railways. There is no ground for this hypothesis. The total export of food-grains from India between 1880 and 1890 was 22,687,000 tons; between 1890 and 1900, 23,257,000 tons, or an average annual increase during the second decade of only 57,000 tons over the first. Had the exports increased in proportion to the extension of railways, the volume of trade in the second decade would have been half as much again as that in the first. In the last year the grain export has been far below the average of any previous year. The second presumption is that a large proportion of the total grain-produce of India is exported. This again is not the case. Out of a total estimated production of 73,000,000 tons, little more than 3 per cent. is exported, and, if rice be excluded, less than 2 per cent., the bulk of the export being wheat, which is not the food of the people in time of famine. If then we place a check upon exports in order to provide the population with more grain when famine comes, all that we shall do will be to ruin Burma, which lives upon its great export of rice to India, notably in times of famine, and to deprive the wheat-grower of the Punjab of the market which railways have created for him.

"As a matter of fact what was the old system which railways are alleged to have destroyed, and which we are now invited in some quarters to re-establish? It was the plan of grain-storage in ordinary years against the years of drought. This was a possible and a desirable system in the days of no communications. Each district had then to be self-sufficing, because it was landlocked. With the spread of railways such a policy has become a costly and a useless anachronism. The storage system itself was attended by the gravest drawbacks, which have now apparently been forgotten. Rice is a grain which will not easily admit of being preserved. Even the drier grains are apt to moulder under such conditions, and when the grain-pits of the Dekkhan were opened in 1897, a great deal of bad grain was thrust upon the market and caused widespread disease. Again, it seems to be forgotten that the grain-pit usually has a private owner, and that the price at which he will consent to open and sell is not determined by the needs of the public but by the interests of his own pocket. Under the storage system the most startling fluctuations of prices occurred even in adjoining districts. Grain was at famine prices in one place, while it was lying rotting upon the ground in another. Everyone knows the story of the Madras beach in 1876. Take the case again of Raipur in the Central Provinces under this system. In 1861 wheat was selling at 84 seers for the rupee, in 1863 at 32, in 1863 at 20, in 1869 at 15, in 1876 at 5$\frac{3}{4}$, in 1878 at 19$\frac{1}{2}$.

"If anybody tells me that this is a condition of affairs good for the cultivator, or the consumer, or for trade, or for the Government of India, I must take leave to doubt his sanity. Now, as against this, what have railways done? They have equalised the prices all round. They have given to the landlocked districts access to external markets in times of plenty, and they have brought the produce of those markets to their doors in times of need. It must be remembered that the whole of India is never fortunately afflicted at the same time by famine. There are always flourishing parts to feed the parts that are famishing. In the old days the inhabitants of the latter consumed the grain in their pits, and then laid down and died. Now imported grain keeps alive the whole population. I gave just now the experience of Raipur under the old conditions. Let me tell Hon'ble Members what it has been under the new. I will quote the words of the Chief Commissioner, Mr. Fraser, with reference to the recent famine. 'It is impossible,' he writes, 'to over-estimate the benefits which railway extension has conferred upon the Province. If Chattisgarh, for instance, had not been opened up by railways, it is horrifying to think of what might have occurred. The recent extensions of the Bengal-Nagpur Railway poured in supplies of the cheap scalded rice of Orissa which penetrated far into the interior. In 1897 this source of supply was wanting, and the more expensive rice from Burma was the chief food-stuff brought in. In the famine of 1897, when exports were carried away in the early months, the Chattisgarh people pointed to the rail-

ways as an exaggeration of their ills. In this famine they have regarded them as their salvation. Within one year the railways have brought into the province grain enough to feed three millions of people for a year.' Now this is a very instructive quotation; for it shows how in 1897 when the Chattisgarh people held fairly large stocks, they resented the depletion of these by the railway and a rise in prices later on. On the other hand, in 1899 there was in over two-thirds of Chattisgarh no crop at all. Where I wonder in such a case would the grain-pits have been? On this occasion, had it not been for the railway, the entire population would have perished like flies. Storage may for a time supply a restricted area. It never has saved, and never will save, a district or a province.

"There remains the third fallacy, as I regard it, that railways have raised prices to a prohibitive level. I can discover no ground for this allegation. The export trade in food-grains cannot have produced any such result, because I have shown it to be infinitesimal. Railways themselves cannot raise prices; their tendency is to equalise them. Prices may rise from an increase of demand over supply, that is, by the increase in the number of those to be fed or in the standard of living. But railways are not accountable for this consequence It has been due in India to a number of economic causes to which I need not now refer, and, before we set it down as a hardship, we should have to enquire whether there had not been a corresponding increase in the purchasing power of the population.

"I therefore shall certainly not be deterred by any of these economic heresies from a steadfast policy of railway construction in my time. I regard railways as a blessing to this country as a whole, and as the most unifying agency that exists in India. Indeed, I would like to go further and to free railway policy and finance from many of the shackles by which it is now hampered. Almost ever since I came here I have been examining this question, and we have been trying by discussion amongst ourselves and with the Secretary of State whether we cannot do what the Hon'ble Mr. Ashton has urged us to do, namely, find some means of separating railway finance from general finance, or for putting productive railways which pay more than the interest charges on their capital into a category apart from precarious or unremunerative concerns. It is easy enough to make out a good case on paper: but it is difficult to construct a workable scheme in practice. In the long run the money for railways has to be raised by loan, whether in England or in India, and the greater part of it has to be spent in India in rupees. The one is a question of borrowing, the other of ways and means for expenditure. Both questions fall at once within the range of the financial operations of Government. Sir Edward Law, however, is not less interested than myself in this question, and we hope to carry it to a successful issue. I have no time on the present occasion to speak of the steps which I have taken by the institution of a Travelling Railway Commission, which has already done valuable work, and by the publication of an annual summary of all the railway proposals before us, and of the attitude of Government towards them, to take the public into our confidence and to conduct railway development in this country on commercial rather than departmental lines. I hope to carry these efforts even further by means which I have in view: but already I claim that we have made not inconsiderable progress.

"Side by side with railways in India we always consider the subject of irrigation; and this is the seventh branch of administrative policy in which I have been most desirous to initiate a positive advance. I spoke last year of the limitations attending a too ambitious programme, and of the fields of investigation and activity still open to us. During the last two years I have persuaded my Financial colleague to raise the annual grant to 1 crore instead of the three-quarters of a crore to which it was confined when I came out to India. It is not always possible to spend this sum, for considerable time is required in the preparation of the various schemes; and last year, although we granted 1 crore, we only succeeded in expending 90 lakhs of rupees. In the present year we have gone much further. I pledged myself in my famine speech at Simla in October to conduct an enquiry into

the irrigation branch of the famine question. I want to be quite sure that no sources of water-supply or water-storage are neglected or ignored in this country. They may not always be great rivers flowing down unimpeded to the sea, though people at home seem to think that any river ought to be capable of being tapped in the Himalayas, and diffused either into the Central Provinces, or Gujarat, or Berar. Neither do I postulate everywhere profitable or remunerative schemes. What I want to ensure is that in each province the sources of water-supply best suited to it, whether they be canals or tanks, or wells, shall be scientifically investigated and mathematically laid down, so that we may be presented with a continuous programme which we may pursue in ordinary years as an insurance against the bad years when these come. If only people would give one some credit for common sense in the matter instead of writing to me as they do every week from all parts of the world to acquaint me with the astonishing discovery that they have for the first time made, namely, that no more famines need ever take place in India if only I would cut canals to the Himalayas or build reservoirs on the top of rainless plateaux, I should be very grateful. It is no good flogging a willing horse. No Government of India has ever been more profoundly impressed with the importance of encouraging irrigation than this. As I have said, it is one of the twelve problems, and I should have thought that the Resolution recently issued with the orders that it contained, foreshadowing a sustained investigation of all irrigation-projects in the possible areas of famine in the forthcoming autumn preparatory to a Commission in the ensuing winter, could have satisfied even the most exacting critic of the thoroughness and sincerity of our intentions. The Hon'ble Mr. Ananda Charlu has nevertheless complained that no such detailed or defined scheme is contained in the present Budget. I am afraid that he has never read the Resolution to which I refer. Anyhow I would beg him to give us a little time. It is not for the Finance Department to usurp the function of the Engineers. As soon as these have given us their reports, we are ready to set to work. The extra charge of the operations which we have ordered will be debited to the Famine Insurance Grant, and my hope is that its outcome may be a sustained policy of protective, even if non-productive, hydraulic works for a number of years to come.

"Eighth among the problems that I hinted at two years ago was the vexed question of the increasing indebtedness of the agricultural population, and the extent to which the land is passing out of their hands into those of the money-lending class. We have already dealt with the question in the Punjab by the Land Alienation Bill which was passed last autumn. That Bill was an act of innovation, but it was also an act of courage. It was to me a matter of surprise that so many organs of native opinion should have combined to attack a measure which was exclusively based on considerations of public interest and to which, whether it succeeds or fails, it was impossible to attribute a selfish motive. The same problem meets us elsewhere in ever-increasing volume and seriousness, and each case will require to be considered upon its own merits.

"Two years ago, in reply to the Hon'ble Sir Allan Arthur, I promised to take up the question of a reduction in the present high rate of telegraphic charges between India and Europe, which I described as inimical to trade and intercourse, and as obsolete and anomalous in itself. He has reverted to the subject in tones of anguish this afternoon. I had hoped long before now to be able to announce the successful termination of the negotiations which we undertook in prompt redemption of my pledge. My view was that no reform would be worth having that did not provide for a reduction of at least 50 per cent. in the present charges. Our negotiations were so far successful that we did persuade the company to agree to an immediate reduction to *2s. 6d.* a word, with a prospective reduction to *2s.* a word, as soon as the increase of traffic justified it; and in order to secure this end we undertook to give a very liberal guarantee from Indian funds. So far all went well. But since then the matter has been hung up, owing to clauses in the Telegraphic Conventions which require the assent to any change of rate of certain foreign Powers through whose territories the wires are laid. This situation is engaging the earnest attention

of His Majesty's Government. It is to my mind an intolerable position that telegraphic communication between England and India, and the rates at which it is conducted, should be at the mercy of other parties; and I think that some way out of the difficulty will have to be found that will make Great Britain the mistress of her own principal lines of connection. I shall hope to see the reduction of which I have spoken realized in my time. But I may add an expression of my private opinion that the matter will not be satisfactorily or finally settled, and that there will not be the maximum development of traffic between the two countries, until the rate has been reduced to 1*s.* per word. That change will not come yet awhile, and we shall probably only reach it by gradual stages. But it will assuredly one day come, and I commend it to the reformers of the future

"I may mention among other matters that have engaged our attention, and in which we have made material progress during the past two years, the preservation of archæological remains in this country. I have often emphasised what I conceive to be the duty of Government in this respect, and everywhere that I have been throughout India on tour, I have made a most careful inspection of the famous or beautiful buildings of the past, and have given orders as to their repair or preservation. We have addressed the Secretary of State as to a more liberal provision for this object in the future, and as to the appointment of a Director General of Archæology, and we hope before long to introduce a Bill that will provide for the safe keeping of historic monuments, and will prevent the removal of antiquarian treasures and relics from our shores.

"There is one subject upon which I have never hitherto spoken one word in India, because it is one of much delicacy, but to which I desire today to devote a few passing remarks. I speak of the relations between British soldiers and the natives of this country. The friends of the soldiers are greatly in error if they believe that there is the least wish to place harsh restrictions upon them or to deprive them of reasonable openings for sport and recreation. On the contrary, it is desired to give them such openings in the fullest manner compatible with the discipline and routine of military life, and as a well-earned relief therefrom. On the other hand, it is impossible for those who are entrusted with the Government to view with equanimity any risk to these relations arising from carelessness, or ignorance, or lack of restraint. That such risk has in many cases arisen, it is impossible to deny. I make no attempt to apportion the blame. Sometimes there may have been rashness resulting in collision on one side. I have heard of conspiracy culminating in attack upon the other. What we, as a Government, have to do is to minimise the opportunities for such friction, and to induce mutual self-respect. For such a purpose strict rules are required and strict attention to the rules when formulated.

"Now upon this point I wish to be especially clear. The Civil and the Military authorities have been and are absolutely united in the matter. The responsibility is shared between them. It cannot be shifted from the shoulders of one party to those of the other. The head of the Civil administration could not in a matter of discipline act in independence of the Military authorities. They, on the other hand, make a point of co-operating with the Civil power. There is no single rule now in operation as regards the reporting or trial or treatment of cases or otherwise which has not emanated from the Military authorities in the first place. There is no measure, proceeding, or step which has not been taken upon their authority, and with their full consent. When the shooting rules were revised last autumn, the task was entrusted to a Committee upon which the Military and Civil elements were equally represented, and further one of the Civilians was an old Military officer. Their report, and the rules as revised by them, were accepted without demur by the Government of India. I make these remarks, because it cannot be too widely known that there has existed throughout this unity of action, and because I have seen or heard of the most erroneous allegations to the contrary effect. I remember a case in which a Local Government reported to us what it called a gross miscarriage of justice in a trial for the murder of a punkha coolie. The Civil authority does not exist

to rectify the errors that may be committed in a Court of Law, and there was unfortunately nothing to be done. Some time later the Commander-in-Chief, having satisfied himself that the acquitted party had so conducted himself as to be unfit to wear Her Majesty's uniform, decided to dismiss him from the Army. This proposal was submitted to, and of course received the sanction of the Government of India, who would not interfere in a disciplinary matter with the supreme Military authority. Forthwith arose an ignorant outcry that the Civil power had usurped the functions of a final Court of judicial revision. I merely mention this case as typical of the misunderstandings that are apt to prevail in these matters I will only say for the Government that our attitude has been in every case one of the most scrupulous impartiality. Our one desire is to draw closer the bonds of friendly feeling that should unite the two races whom Providence has placed side by side in this country; and I venture to assert that no higher motive could inspire any body of men who are charged with the terribly responsible task of Indian administration.

"There remain a number of subjects, high up in the list of the original dozen, upon which we are still busily engaged, but as to which we have not found time as yet to carry our views to fruition. First among these I would name educational reform, the placing of education in India, in its various branches, university, higher, secondary, technical, and elementary, upon a definite and scientific footing, and the clear determination of the relations between private enterprise and the State This great object has been for a long time occupying my attention, and I hope that we may be able to deal with it in the forthcoming summer or autumn.

"Another matter that is one of anxious pre-occupation to us is the reform of the police. Grave abuses have crept into this branch of the service, and are responsible for administrative and judicial shortcomings that are generally deplored, besides producing a widespread and legitimate discontent. We have already sanctioned very considerable improvements, notably in the direction of securing a better class of men in the higher grades at a superior rate of pay both in the Punjab, the North- Western Provinces, and Bengal. I will say no more at present than that the matter is one into which I hope to go more deeply.

"There are a number of other subjects which fall within my category, but of which I prefer not to speak at present, lest I might arouse false expectations. There are others, again, which can seldom be absent from the mind of any ruler of India and to which, though he must speak with caution upon them, there is no need why he should not refer. The possibility of fiscal reforms, leading, if circumstances permit, to a reduction of taxation, is an object that is always in the background of his imagination. The protection and scientific propagation of agriculture, for which we have instituted a separate office of Inspector General, the possible institution of agricultural banks, the question of assessments, the fostering of native handicrafts and the encourgement of industrial exploitation in general—these are all aspects of the larger question of the economic development of the country upon which my colleagues and myself are bestowing the most assiduous attention. *Salus populi suprema lex*; and all the reforms to which I have been alluding are, after all, subsidiary to the wider problem of how best to secure the happiness and prosperity of the helpless millions.

"Upon this subject I should like to add a few words which I hope may tend to dissipate the too pessimistic views that appear to prevail in some quarters. There exists a school that is always proclaiming to the world the sad and increasing poverty of the Indian cultivator, and that depicts him as living upon the verge of economic ruin. If there were truth in this picture, I should not be deterred by any false pride from admitting it. I should, on the contrary, set about remedying it to the best of my power at once. Wherever I go I endeavour to get to the bottom of this question, and I certainly do not fail to accept the case of our critics from any unwillingness to study it. In my Famine speech at Simla last October, in making a rough and ready assumption as to the agricultural income of India, I based myself upon the figures that were collected by the Famine Commission of 1880 and that were published in 1882. The agricultural income of India was calculated at that date as 350 crores, and at

Simla I spoke of it as being now between 350 and 400 crores. Thereupon I found my authority quoted in some quarters for the proposition that the agricultural wealth of the country had remained stationary for twenty years, while the population had gone on increasing by leaps and bounds. The further and equally erroneous assumption followed that there had been no rise in the interim in the non-agricultural income of the community; and I found myself cited as the parent of the astonishing statement that the average income of every inhabitant of India had sunk from Rs. 27 in 1882 to Rs. 22 in ordinary years and to Rs. 17½ in 1900: the inference of course being drawn that, while Nero has been fiddling, the town is burning.

"I have since made more detailed enquiries into the matter. There are certain preliminary propositions to which I think that every one must assent. In every country that is so largely dependent upon agriculture, there comes a time, and it must come in India, when the average agricultural income per head ceases to expand for two reasons; first, that the population goes on increasing, second, that the area of fresh ground available for cultivation does not increase *pari passu*, but is taken up and thereby exhausted. When this point is reached, it is of no good to attack the Government for its inability to fight the laws of nature. What a prudent Government endeavours to do is to increase its non-agricultural sources of income. It is for this reason that I welcome, as I have said today, the investment of capital and the employment of labour upon railways and canals, in factories, workshops, and mills, in coal-mines, and metalliferous mines, on tea and sugar and indigo plantations. All these are fresh outlets for industry, and they diminish *pro tanto* the strain upon the agricultural population. That they are bringing money into the country, and circulating it to and fro, is evident from the immense increase in railway traffic both of goods and passengers, in postal and telegraph and money order business, in imports from abroad, and in the extraordinary amount of the precious metals that is absorbed by the people. These are not the symptoms of a decaying or of an impoverished population.

"Turning, however, to agriculture alone, concerning which the loudest lamentations are uttered, I have had worked out for me, from figures collected for the Famine Commission of 1898, the latest estimate of the value of the agricultural production of India. I find that, in my desire to be on the safe side, I underrated the total in my Simla speech. I then said between 300 and 400 crores. The total is 450 crores. The calculations of 1880 showed an average agricultural income of Rs. 18 per head. If I take the figures of the recent census for the same area as was covered by the earlier computation, which amount to 223 millions, I find that the agricultural income has actually increased, notwithstanding the growth in the population and the increasingly stationary tendency of that part of the national income which is derived from agriculture; and that the average per head is Rs. 20, or Rs. 2 higher than in 1880. If I then assume—and I know of no reason why I should not—indeed I think it an under-estimate—that the non-agricultural income has increased in the same ratio, the average income will be Rs. 30 per head as against Rs. 27 in 1880.

"I do not say that these data are incontrovertible. There is an element of the conjectural in them; but so there was in the figures of 1880. The uncertainty in both is precisely the same, and if one set of figures is to be used in the argument, equally may the other. Again, I do not claim that these calculations represent any very brilliant or gratifying result. We cannot be very happy in the face of the recent census, which shows an increase of population so much less than we had anticipated—a falling off which is no doubt due in the main to the sufferings through which India has passed, and which by so much reduces the denominator in our fraction. But at least these figures show that the movement is for the present distinctly in a forward, and not in a retrograde, direction, that there is more money and not less money in the country, and that the standard of living among the poorer classes is going up and not down. Above all they suggest that our critics should at least hold their judgment in suspense before they pronounce with so much warmth either upon the

failure of the Indian Government, or upon the deepening poverty of the people.

"There is one point, however, in these calculations where we are upon very firm ground. In 1880 there were only 194 millions of acres under cultivation in India. There are now 217 millions, or an increase in virtually the same ratio as the increase in population. This alone would tend to show that there can have been no diminution of agricultural income per head of the people. The case for increase results from the increased standards of yield between 1880 and 1898. Perhaps the earlier estimates were too low. That I cannot say. The fact remains that the 1880 figures showed a yield per acre of food-crops in British India of 730lbs.; those of 1898 show a yield of 840lbs. In some cases this will be due to improved cultivation, perhaps more frequently to extended irrigation. They are satisfactory so far as they go; for they show that the agricultural problem has not yet got the better of our rapidly increasing population. But they also show how dangerous it will be in the future if India, with this increase going on within, continues to rely mainly upon agriculture, and how important it is to develop our irrigational resources as the most efficient factor in an increase of agricultural production.

"I have now brought to a termination this review of the present position in India and of the policy and attitude of Government. I have, I hope, extenuated nothing and exaggerated nothing. I am a believer in taking the public into the confidence of Government. The more they know, the more we may rely upon their support. I might have added that the policy which I have sketched has been pursued at a time when we have had to contend with a violent recrudescence of plague, and with a terrible and desolating famine. But these facts are known to every one in this Chamber, and an allowance will be made by every fair-minded person for conditions so unfavourable to advance or prosperity in administration. Should our troubles pass away, I hope that in future years I may be able to fill in with brighter colours the picture which I have delineated today, and to point to a realization of many of our projects which still remain untouched or unfulfilled.

"Thanking Hon'ble Members for their valuable contributions to the successful labours of the present session, I will now adjourn this Council *sine die*."

J. M. MACPHERSON,
Secretary to the Government of India,
Legislative Department.

CALCUTTA;
The 29th March, 1901.

G. I. C. P. O.—No. 1020 F. & C. D.—30-3-1901.—750.

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